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3 APRIL 1987

Southeast Asia Report

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SOUTHEAST ASIA REPORT

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INDONESIA

JAKARTA VIEWS SHEVARDNADZE TRIP, CGDK REACTION

BK111449 Jakarta Domestic Service in Indonesian 1200 GMT 11 Mar 87

[Station commentary]

[Text] During his round of visits to Southeast Asia and Australia, Soviet Foreign Minister Eduard Shevardnadze yesterday arrived in Phnom Penh, and diplomatic observers in Bangkok felt it was important to note the CGDK attitude, which gave cautious separate reactions. At first, the Khmer Rouge faction, in a radio program (?intercepted) by a western embassy in Bangkok last Monday, expressed hope that the Soviet foreign minister's visit would result in the resolution of the Kampuchean conflict. But that hope then disappeared.

On the same day, the KPNLF radio said that the use of Afghan and Nazi examples gives rise to a new consideration or stance. But observers in Bangkok yesterday said that the three factions of the CGDK feel that they are facing a riddle in what had been seen as the change in the Soviet foreign minister's stand concerning the Cambodian issue. While in Bangkok he said that Moscow hopes that an agreement will be reached on withdrawing its troops from Afghanistan that will serve as an example to resolve the Kampuchean problem. While in Jakarta, however, the Soviet foreign minister brushed aside any similarity between Afghanistan and Kampuchea. According to the Soviet Foreign Minister, Vietnam will have to make its own political decision on Kampuchea because Vietnam is a sovereign country. With this decision, according to the Khmer Rouge radio, the Soviet Union has no desire to resolve the Kampuchean problem.

The Kampuchean coalition's reaction toward Shevardnadze's visit to Southeast Asia and Australia should be observed carefully; it is important. The Soviet foreign minister's differing statements in Jakarta and Bangkok indicate that Vietnamese-Soviet Union relations are facing difficulties since the recent Sixth CPV Congress. That is why, after his visit to Jakarta, Shevardnadze did not fly directly to Hanoi but went first to Vientiane, after which he visited Phnom Penh and finally proceeded to Hanoi.

/9716

CSO: 4213/61

INFORMATION MINISTER OPENS ACEH TV STATIONS

BK101038 Jakarta Domestic Service in Indonesian 0700 GMT 10 Mar 87

[Text] Information Minister Harmoko said the expansion of Radio Republic of Indonesia's [RRI] television network and the establishment of broadcasting stations are aimed at making people more attuned to and better equipped with the values and philosophy of Pancasila. The minister said this yesterday afternoon in Sabang, Aceh Province, when he symbolically officiated at the opening of RRI's television broadcasting stations.

According to Minister Harmoko, equipping people with knowledge is the functional role of the Information sector in motivating their spirit and dynamism as well as society's desire to improve its living standards both materially and spiritually, which is why television is needed. The information minister urged TVRI [Television of Republic of Indonesia] to make continuous efforts to increase its programming both quantitatively and qualitatively. He also expressed the hope that people will make full use of TVRI programs to improve discipline and their standard of living.

With the symbolic official opening of the three new broadcasting stations in Aceh, TVRI programs can be received by 72 percent of the province's population, or more than 3 million people. There are now 12 broadcasting stations which, in view of the size of the province, can only cover 49 percent of the viewers in the province. Aceh's Information Department chief, Masdi, admitted that the current number of TVRI broadcasting stations cannot possibly meet the demands of the provincial population because several districts in the province still have not been equipped with broadcasting stations. In south Aceh, six districts have no broadcasting stations, and east Aceh and Pigi District each need one. In central Aceh there are still seven districts to be covered, six districts in the west, and two districts each in the southeast and greater Aceh regions.

Concerning the development of RRI programs, especially the Voice of Indonesia for foreign listeners, Information Minister Harmoko in a separate statement said that by the end of March of this year, the Voice of Indonesia will be broadcast to Europe and the Middle East with better reception. The government's objective is to increase the distribution of correct information to those regions concerning Indonesia on political, cultural, and development progress. To widen the coverage of the Voice of Indonesia to Europe and

the Middle East, a 250-kilowatt broadcasting station is currently being constructed at Padang Cermin in north Sumatera. The construction of the station is expected to be completed by the end of March. All this time, reception of RRI programs in those regions has been poor. The RRI broadcasting station at Padang Cermin is being constructed with 1985-86 and 1986-87 state budget allocations.

While visiting Medan yesterday, Information Minister Harmoko also touched on the issue of parabolic antennas, which are widely used by the people in the city to receive foreign television programs. According to the minister, this does not create a problem because of the similar reception nature of foreign radio programs in Indonesia. The information minister expressed the hope that people who receive foreign television programs make full use of them to improve their knowledge and to enhance the education of their families.

/9716
CSO: 4213/61

INDONESIA

BRIEFS

FISHING BOATS DETAINED--During this past February, Indonesia detained 11 foreign fishing vessels, 9 of which flew the Taiwan flag. The ships were held for illegally fishing in Indonesian waters. [Text] [Jakarta Domestic Service in Indonesian 0500 GMT 10 Mar 87 BK]

/9716

CSO: 4213/61

MALAYSIA

PAS LEADERS PLAY DOWN TALKS WITH UMNO LEADERS

Haji, Awang Disputes Anwar

Kuala Lumpur UTUSAN MALAYSIA in Malay 13 Jan 87 p 1

[Text] Haji Abdul Hadi Awang, vice president of the Pan Malaysian Islamic Party (PAS), does not feel that his recent meeting with Encik Anwar Ibrahim, head of the United Malay National Organization (UMNO) Youth Movement, at a forum in the United States marks the starting point of a dialogue between PAS and the UMNO.

Nor does he feel that his meeting with Encik Anwar will have any effect on the amount of cooperation between the two parties.

He said that the forum was sponsored by the Malaysian Islamic Students Group (MSIG) in Peoria in the United States. Describing it as a routine forum, he said it was only a coincidence that he and Encik Anwar were members of the panel.

Speaking at a meeting in Kuala Terengganu on 12 January, Haji Hadi said that Encik Zaid Kamaruddin, a former engineer, was also a panel member and that the theme of the forum was "The Future of Islam."

On 1 January Encik Anwar told reporters that his meeting with the PAS vice president at the forum was a starting point for achieving a mutual understanding between the two parties regarding the waging of an intelligent struggle to propagate Islam.

He said the forum lasted 3 hours, was conducted in a calm and harmonious atmosphere, and that there were no arguments between Haji Hadi and himself. Each man explained the objectives of his party and answered questions from an audience of almost 1,000 persons.

Haji Hadi returned to Malaysia on Friday. After meeting with the PAS standing committee in Kuala Terengganu on 12 January he stated that the comments made by Encik Anwar were not accurate.

He charged that Encik Anwar did not respond to some questions asked by students at an earlier seminar in the United States. This seminar was sponsored by the Islamic Youth League of Malaysia (ABIM).

He said that this complicates efforts to hold discussions on reviving the dialogue between the UMNO and PAS, which the head of the UMNO Youth Movement has said he desires.

Haji Hadi was reluctant to comment further on his meetings with Encik Anwar. He referred listeners to press reports of statements made by Encik Anwar.

"I will respond to these matters one by one tonight at a public meeting on Jalan Kamaruddin (in Kuala Terengganu)," he said.

Encik Anwar stated earlier he is convinced efforts being made to establish a dialogue between the UMNO and PAS will succeed, even though there are factions in PAS and in the UMNO itself that are trying to defeat them.

Yusuf Rawa Sees No Meeting Point

Kuala Lumpur UTUSAN MALAYSIA in Malay 15 Jan 87 p 5

[Text] Haji Yusof Rawa, the president of PAS, feels that efforts to establish a dialogue between PAS and the UMNO are not meaningful.

At a press conference on 14 January he said that UMNO leaders have never made a serious effort to establish a dialogue.

He said that UMNO leaders have intentionally exaggerated the importance of what they call a "meeting point" for establishing a dialogue, when the fact is that no such point exists.

When asked if the recent meeting of Haji Hadi and Encik Anwar at a forum in the United States did not constitute a starting point for further discussions, Haji Yusof replied, "A forum and an agreement are two different matters."

"If I attended a forum at the University of Malaya, for example, and a UMNO leader also happened to be there, would that be considered a starting point for cooperation?

"Do all forums constitute meeting points for two parties that are not on the same track?" he asked.

Haji Yusof also feels that statements made by UMNO and PAS leaders regarding a dialogue have been intentionally exaggerated by the press.

With regard to his meeting with the prime minister at the beginning of the year, he said that this was only a routine meeting.

"We only spoke of family matters, children and relatives. The subject of a dialogue was not directly addressed," he explained.

5458/8918
CSO: 4213/55

PAPER COMMENTS ON PAS WILLINGNESS TO TALK TO UMNO

Kuala Lumpur BERITA HARIAN in Malay 15 Jan 87 p 10

[Editorial: "Agreement by PAS Brings Hope"]

[Text] Anyone who is capable of thoughtful reflection and who can take a long-range view will recognize that this has been an important week on the political scene. First, Gerakan Rakyat Malaysia and the Sabah United Party (PBS) reached agreement on the formation of a confederation to promote closer cooperation, as the nature and viewpoints of the two parties are almost the same; and second, the Pan Malaysian Islamic Party (PAS) has agreed to hold a dialogue with the United Malay National Organization (UMNO) with the aim of re-establishing the solidarity of the Muslim community, a solidarity that has been seriously affected by the political friction between these two Malay and Muslim parties.

The confederation was announced in Kota Kinabalu on Monday, and according to Sabah Chief Minister Datuk Pairin Kitingan, who is also the president of PBS, the purpose in forming the confederation is to reinforce the ideological similarity of Gerakan and PBS as multiracial parties. Only time will tell the actual form this cooperation will take and the effect it will have on Barisan Nasional (National Front) and on national politics. And while it is clear that there now exists what we may describe as a pact, time alone will reveal the desires hidden in the hearts of the leaders of the two parties.

We all know that this is not the first time that Gerakan has become engrossed with the idea of forming an association. Gerakan became friendly with PBS after its overtures to the Malaysian Chinese Association (MCA) on the subject of cooperation received a cool reception. As for PBS, it may see the agreement with a party based on the peninsula as being very advantageous to its efforts to gain full acceptance in cooperating with Barisan Nasional.

The two parties are emphasizing their claim of being multiracial because they may consider this to be a source of strength, and even though the claim is not entirely true. Gerakan, on the whole, represents the Chinese community, while the Kadazan are the backbone of PBS.

These things are ripples in the stream of Malaysian politics, and they were started either as a direct challenge to Malay and Muslim political strength

or arose because of this strength. If Malays and the Muslim community in this country think that they can be happy simply because they are in the majority group then they are engaging in a very dangerous fantasy, for, first of all, their majority is a very small one.

If such factors as economic status, education and knowledge were used as a criterion the small Malay-Muslim majority would be effectively eliminated. The factor that perpetuates the Malay and Muslim presence in the minarets of national politics is the democratic practice of giving the vote to every person who has reached the age of 21, regardless of whether they are male or female, or whether they are dense, deaf, dumb or blind. It is possible that the political power of Malays and Muslims would have long since disappeared if it were not for the one-person, one-vote principle.

Although we are committed to the effort of establishing real national solidarity and developing a stable Malaysian nation, we cannot escape the fact that the nation we are nurturing will be divided along racial, ethnic and religious lines. It is impossible for us to completely expunge racial, ethnic and religious sentiments. And since Malays and Muslims constitute the majority group, then, weak or strong, rise or fall, they exert a direct influence on the stability of the Malaysian nation as a whole. The facts of history provide valid proof of the accuracy of this conclusion.

We are conscious of these facts and so do not hesitate to emphasize the importance of Malay and Muslim solidarity within the national political context. And because of these facts we always take the positive view that solidarity must be achieved in the Muslim community, regardless of the frictions and differences that exist between the UMNO and PAS in the area of party politics. Each of us who firmly believes in the importance of solidarity must adhere to the principle that the members of the Muslim community can embrace different political ideologies and compete for influence, but they definitely must not do so at the expense of group solidarity. This is why we welcome the willingness of PAS to hold a dialogue with the UMNO.

The important thing is not who wins, or who influences whom, or where or how the dialogue is conducted. The important thing is that a channel has been established for discussions between the top leaders of the UMNO and PAS. The fewer conditions that are attached, the greater the opportunity to open and maintain this channel of communication. We congratulate the leaders of both parties for making this effort. Community solidarity will not be achieved if we are narrow minded.

5458/8918
CSO: 4213/55

MALAYSIA

MULTIRACIAL OPPOSITION PARTY TO BE ESTABLISHED, REPLACE CCC

Kuala Lumpur BERITA HARIAN in Malay 12 Jan 87 p 6

[Text] The Chinese Consultative Committee (CCC) will soon be disbanded and a multiracial opposition party will be established in its place.

CCC spokesman Encik Ong Hua said that the new party also will join with the Pan Malaysian Islamic Party (PAS) in forming an opposition front that will provide an alternative to the Barisan Nasional (National Front).

Encik Ong said that the opposition party will be formed before the Chinese New Year and that other parties, such as the Democratic Action Party (DAP) and Socialist Democratic Party (SDP), will be invited to join the front and oppose Barisan Nasional in the coming election.

Not Interested

Encik Ong, who is the CCC deputy chairman for Melaka, said that the national leaders of the CCC have held discussions with the top leadership of PAS and the PAS Central Committee and it has been agreed that the CCC will be disbanded and an opposition party formed.

"We hope that all matters can be taken care of and the party formed before the Chinese New Year.

"We believe it is necessary that an opposition front be formed to struggle for the interests of all races," he said.

Encik Ong feels that a front with PAS as a member can succeed in forming a strong opposition front and will provide an alternative to Barisan Nasional in the coming election.

He would not give the name of the party that is to be formed but said that the initials CCC will continue to be used.

The CCC was formed last June with the cooperation of PAS and the objective of strengthening the support for PAS among Chinese voters in last August's election.

Meanwhile, in Kuala Lumpur the deputy secretary general of the DAP, Encik Lee Tham Thye, said that the DAP is not interested in participating in any opposition front that is formed by the new party.

"The DAP believes that the formation of a new party and an opposition front is a futile act that will not have any effect on the outcome of the election," he said.

Encik Lee, a member of Parliament from Bukit Bintang, characterized the effort to form an opposition front as "an old story."

**5458/8918
CSO: 4213/55**

MALAYSIA

MCA URGED TO DEAL WITH CORRUPT MEMBERS IMPARTIALLY

Kuala Lumpur BERITA HARIAN in Malay 12 Jan 87 p 10

[Editorial: "MCA Should Take a Uniform Position"]

[Text] The decision by the Malaysian Chinese Association (MCA) that it will not protect any of its members who misappropriated the funds of a deposit-taking cooperative is quite correct and is to be commended. Clearly, it is not practical for a political party that participates in governing the nation to try to protect members who are obviously guilty, particularly if they are considered criminals. The people who have been implicated in the misappropriation of the cooperative's funds not only misused funds they should have been carefully administering, they also indirectly wrecked the hopes of many poor people who depended on their deposits for their future livelihood.

This is not the first time in the history of our country's cooperatives that we have heard of funds being diverted in this manner. In the 1970s we heard how funds belonging to cooperative members and being administered by Bank Rakyat were misappropriated by several senior bank officials. The culprits received appropriate sentences and no group dared protect them, even though one of them was an honored party member and had held a high position in the government. When a group does resist the process, the final outcome of the case clearly shows that they do not succeed in changing the laws of the nation and thus confirms that no citizen of this country can put himself above the law.

On the basis of past experience it was proper for Datuk Dr Ling Liang Sik, the president of MCA, to issue a statement clarifying the position of the party. The statement also served as an affirmation that the MCA is dealing with the problem, and especially with the need to preserve the honor of the party and thereby the honor of the government, instead of protecting prominent persons who have been proven to have committed an offence against the public. This is expected of the MCA, for the persons who have been accused and those who have admitted their guilt used their power and position and the influence of the party in a willful manner.

What is questionable now is the inconsistent attitude of MCA leaders toward party members who are involved in improper practices. While it is clear that

they will not protect the members who have been implicated in the diversion of the cooperative's funds, they apparently are unable to adopt the same attitude toward their former president, Encik Tan Koon Swan. He was found guilty and admitted to abetment in a breach of trust case that destroyed the Pan Electric Company. The inability of the MCA leadership to settle the problem of Encik Tan, particularly the problem of his membership in the House of Representatives (Dewan Rakyat), has caused many people to wonder about the moral values that are frequently spoken of by MCA leaders.

Until this issue is settled it will haunt the MCA and cloud the image of the government of which it is a member. Each time MCA leaders speak of morality and responsibility the thoughts of the public will turn to Encik Tan and the crimes he committed in the business community. The MCA cannot escape the responsibility of settling the problem of Encik Tan, however difficult and distasteful the task may be. Delaying a settlement of this problem will not help the MCA and Barisan Nasional (National Front) in their efforts to build an efficient, clean and trustworthy government. In bringing up this matter our objective has been to encourage the public to look at the problems we face as a whole, rather than looking at each problem individually.

Crime is crime. State and territory are not a factor. The MCA must be strong to take rational action. Having taken a firm and commendable position on the diversion of the cooperative's funds, it is clear to us that this is the best time for the party to settle other problems that have to do with morality and responsibility. A purge of those elements who look to their personal interests and use the party as a stepping stone will gain respect for the name of the party and restore public confidence in the MCA.

5458/8918
CSO: 4213/55

MALAYSIA

DUTY EXEMPTION ON MORE MALAYSIAN COMMODITIES LAUDED

Kuala Lumpur UTUSAN MALAYSIA in Malay 10 Jan 87 p 8

[Editorial: "Brighter Prospects"]

[Text] The decision of the United States government to exempt seven more types of Malaysian commodities from duty, in addition to some 500 commodities which already are duty free, is another means of stimulating the growth of the industries involved.

While the national economy is in recession and at a time when many countries have applied controls on imported products, the American government's step is one that may offer some hope.

The deficit account position and the distressing balance of payments situation at the present time make it necessary for Malaysia to find a wider market for its export commodities in order to augment its export revenue.

Our primary commodities have been severely depressed on the international market for the past 2 years. This has contributed to the failure of the economy at present. Therefore, we must shift to exporting manufactured items. This will stimulate the growth of our manufacturing industries.

To raise our export revenue, we need a bigger market for our goods. The problems we face at present naturally make us realistic when we seek markets for our commodities.

In this case, we must know precisely where the markets are. Whether we want to or not, the wealthy countries are the countries that have large markets because their purchasing powers are great.

Now is the time to create good relations with any nation that can help us improve our economy quickly. Our best foreign policy is to find a number of friends who can help us lighten the economic burden we now carry.

The additional duty exemptions on our commodities by America perhaps could be interpreted as proof of the confidence this nation has in this region, and also that it wants Southeast Asian nations to be healthy economically, which is important for its interest in this region.

We hope America is not acting to depress the price of primary commodities which more and more show signs of recovering. These commodities include tin ore, palm oil, and rubber which are major export commodities for many ASEAN [Association of Southeast Asian Nations] nations. ASEAN will celebrate its 20th anniversary next August.

6804
CSO: 4213/54

MALAYSIA

CHINESE LANGUAGE CLASSES IN NATIONAL SCHOOLS OPPOSED

Approved as Elective

Kuala Lumpur BERITA HARIAN in Malay 7 Jan 87 p 2

[Text] Teluk Intan, Tuesday [6 January]--The Ministry of Education must review carefully its proposal to introduce Chinese language classes in national schools before this plan is implemented.

The West Malaysia Malay Teachers Union (KGMMB) today asked the government to go into this matter in depth with all parties concerned, including members of teachers unions, educators, and academicians.

Haji Nordin Haji Mahmud, president of this union, said such review was needed because not only education and subjects of study were involved but also the national education philosophy.

As an Elective

He made this proposal when commenting on the statement of Mr Wong See Chin, deputy minister of education, concerning the plan to introduce the Chinese language in national schools to strengthen student unity.

He said the KGMMB in no way agreed with this proposal because elementary school pupils were already overburdened with the courses they had to take.

In addition to the Malay language, he said, elementary school pupils had to study English, and their command of these two languages was still poor.

If Chinese classes were made mandatory, he said, this would have an adverse impact on these two languages.

However, Chinese could be introduced at the middle school level as a foreign language elective, as for Arabic and Japanese, languages which are being introduced now.

Students who have the capability and the interest to study Chinese or any other language could elect to take such classes to study the language for the sake of knowledge without being forced to do so.

Haji Nordin gathered that other problems would arise if Chinese were taught in national schools, for instance, a shortage of teachers capable of teaching the language.

Haji Nordin also did not concur with the reasoning that unity would be strengthened through the study of Chinese because admittedly only Malay has that function.

He cited the example of our neighbor nation, Indonesia, which is building a deep spirit of unity and nationhood through the use of the Indonesian language.

Not Planned for Elementary Level

Kuala Lumpur UTUSAN MALAYSIA in Malay 7 Jan 87 p 3

[Text] Kuala Lumpur, 6 January--Today Mr Wong See Chin, deputy minister of education, explained that Chinese language classes would not be offered in the national elementary schools.

"Chinese classes will only be introduced in national middle schools as an elective," he said when he was asked to explain the ministry's plan to introduce Chinese classes in national schools.

Students, he added, had the right to choose whether they wanted to study Chinese and to decide whether they had an interest in doing so. There should be no question of forcing them to do so.

According to Mr Wong, several schools in Perlis and Kedah have begun to hold Chinese classes.

A school that offers Chinese classes is Batu 16 National Middle School in Kaki Bukit, Perlis.

The deputy minister said these classes were a pilot project and his ministry will oversee its development as well as the introduction of such classes in other schools in this country.

The project which began this year, he said, covers Chinese classes that are held five times a week.

Mr Wong, who did not see that this could create ethnic polarization, explained that the introduction of the Chinese language in national middle schools would give students in Chinese elementary schools a chance to enter national middle schools.

"This definitely will further aid in strengthening unity among students," he said.

Mr Wong added that this step was also taken to provide Malay students with an opportunity to enter national middle schools.

"I found that in schools where the language was taught, there was a good reaction to Chinese classes," he said.

He did not deny that in the initial stage of this project, some parents, principally those of Chinese students, did not accept the ministry's proposal.

Nevertheless, he added, they accepted it when the project was explained.

6804
CSO: 4213/54

BRIEFS

UMNO MEMBERSHIP TO GROW--Rantau Pandang, Monday [5 January]--All-Malaysia UMNO [United Malays National Organization] membership is projected to grow from the present 1.36 million to 1.5 million in the near future when the USNO [United Sabah National Organization] officially joins the UMNO. Haji Hussein Ahmad, UMNO publicity chairman, said. After opening the congress of the UMNO Kubang Rambutan Branch here today, he said UMNO membership was estimated to exceed 1.5 million after several other Sabah parties, including the MOMOGUN, expressed their desire to join the UMNO. He said when the USNO joins the UMNO, the 48 USNO divisions in that state would be converted to 20 UMNO divisions, based on the number of parliamentary districts the UMNO holds now. [Text] [Kuala Lumpur BERITA HARIAN in Malay 6 Jan 87 p 2] 6804

BERJAYA WILL NOT DISBAND--Kota Kinabalu, 6 January--The BERJAYA Party [Sabah People's union] will not be disbanded but will be the party elected by a number of Sabah ethnic groups to replace the PBS [Sabah United Party] government, Mr Saidi Lampoh, its publicity chairman, said. According to Mr Saidi, the minor election held in Sulaman recently proved that the number of votes cast for the BERJAYA increased by 85 percent. Commenting on the proposal of Mr Joseph Kurup, PBS secretary general, that the BERJAYA be disbanded, Mr Saidi said the Sabah people kept in mind the multi-ethnic concept propagated by the BERJAYA, which allows all ethnic groups to live in harmony. "It is not up to Mr Kurup to decide whether the BERJAYA should be disbanded. Only BERJAYA members and their supporters have the right to make this decision," Mr Saidi said firmly. Advising Mr Kurup to put his own PBS house in order, the BERJAYA publicity chairman said the PBS should focus its attention on ways to create jobs in this recession period. [Text] [Kuala Lumpur UTUSAN MALAYSIA in Malay 7 Jan 87 p 2] 6804

MCA DISAVOWS CORRUPT OFFICERS--Kuala Lumpur, Friday [9 January]--The MCA [Malayan Chinese Association] will not protect any of its members involved in the embezzlement of funds of savings cooperatives (KPD), said Datuk Dr Ling Liang Sik, its president. Further, he said, the MCA will not shun its "political responsibility" of reimbursing KPD depositors for the lost money. This decision was made in a stormy, more than 3-hour meeting of that party's central executive committee held at the MCA home office here today. "We also appreciate that depositors would like to have some of their savings returned to them prior to this Chinese New Year. We are sure that this can be done," he told reporters after that meeting. The MCA president also explained that the government's appointment of a receiver to take over the KPD was needed to allow the depositors to regain their savings and to expedite the settlement of

this matter. Nevertheless, he was reluctant to comment further on the MCA's responsibility for settling this matter. [Text] [Kuala Lumpur BERITA HARIAN in Malay 10 Jan 87 p 1] 6804

BRUNEI BUYS MAS SHARES--Kuala Lumpur, 8 January--Brunei Darussalam has increased its holdings of shares of the Malaysian Airline System's (MAS) paid-in capital by 10 percent after purchasing 15 million additional shares from the Malaysian government. The Ministry of Finance announced today that the sale, which was concluded on a special government-to-government basis, will reduce the Federal and Sabah and Sarawak State governments' holdings to 182 million shares or 52 percent of the MAS equity. According to the ministry, with Brunei's increased holdings in MAS equity, the Brunei Royal Airline Company will represent Brunei on the MAS Directorial Board in the near future. The ministry's announcement provided no information on the price of the shares or the date of the sale. Today MAS shares closed at the par value of \$4.02 [Malaysian dollars] per share. Nevertheless, the announcement stated that "the added sales to the Brunei Investment Agency will again strengthen relations between the two nations as well as between the two national airlines." On 31 October, the Ministry of Finance announced that the government had sold 52.5 million shares of its holdings in the MAS to a foreign investor. This represents 15 percent of MAS' \$350 million paid-in capital. It includes 20 million shares sold to the Brunei government through the Brunei Investment Agency. At that time, MAS shares sold at \$4.50 per share and produced \$236.25 million for the government. Before it sold the 52.5 million MAS shares, the Malaysian government held 70 percent of MAS equity and an additional 30 percent was held by the public and a number of local institutions. [Text] [Kuala Lumpur UTUSAN MALAYSIA in Malay 9 Jan 87 p 1] 6804

JAPAN GRANTS RINGGIT LOANS--Kuala Lumpur, Tuesday [13 January]--Japan agreed in principle to grant loans to Malaysia in ringgits in the future to avoid the expensive repayment of the loans should they continue to be granted in yen. The current rise in the value of the yen means that Malaysia suffers a big loss when the time comes to repay the loans which up to this time have been obtained in yen. Japan also agreed to lower the interest rate by 1 percent under the Official Development Aid scheme (ODA). In addition, Japan has selected Malaysia as a nation in this region with potential for its plan to move some of Japan's small and unsophisticated industries that currently are having problems because of international competition. In connection with the transfer of such industries, Japan has agreed to ready a loan to assist in increasing the number of export-oriented industries in this country. Details of the loan agreement are being discussed in a meeting being held by Mr Ghafar Baba, deputy prime minister, with Mr Hajime Tamur, Japanese minister of international trade and industry, today. [Text] [Kuala Lumpur BERITA HARIAN in Malay 14 Jan 87 p 1] 6804

AIR DEFENSE EXERCISE CLOSED--Chief of Air Force Lieutenant General Datuk Mohamed Ngah Said closed the joint Malaysia-Thai "Air Thamal VI" exercise at the air base in Butterworth on 12 March. He said Malaysia hopes to expand the scope of the exercises with the Royal Thai Air Force which were held mainly at the Butterworth and Hat Yai air force bases. [Summary] Kuala Lumpur Domestic Service in Malay 1230 GMT 12 Mar 87 BK] /12232

PALM OIL EXPORT STATISTICS--India's import of processed palm oil from peninsular Malaysia shot up 20 percent to 855,865 tonnes in 1986 from 607,634 tonnes in 1985 to remain the biggest importer of Malaysian palm oil. According to the Department of Statistics, Singapore ranked second despite a sharp drop of 20.75 percent to 773,298 tonnes. Pakistan imported 641,095 tonnes. [Excerpt] [Kuala Lumpur BERNAMA in English 0357 GMT 20 Feb 87 BK] /12232

JOINT EXERCISE WITH BRUNEI--Four Royal Malaysian Navy ships arrived at the Brunei's Muara Naval Base on 16 March to take part in the 6-day joint exercise with the Royal Brunei Navy Force. The unit, under the command of Commander (Baharuddin Jaafar), will hold the joint exercise off the Sabah and Brunei waters. It is the sixth such exercise involving both navies. [Summary] [Kuala Lumpur International Service in English 0800 GMT 16 Mar 87 BK] /12232

SHIPPING ACCORD WITH ROK--Kuala Lumpur, 17 March (BERNAMA)--Malaysia and South Korea have paved the way to cooperate in the shipping industry with the initialing of a maritime transport agreement between the two countries here Tuesday. Transport Minister Ling Liang Sik said in a statement that cooperation will prevail in all maritime matters particularly those relating to training and technical cooperation between the two countries. It provides for the participation of both countries' vessels in the carriage of cargo liners which shall be governed by the principles of the UN code of conduct for liner conferences. The code allows cargo sharing on a 40:40:20 basis with Malaysian ships carrying 40 percent of the country's export to Korea, 40 percent ot be carried by Korean ships and the remaining 20 percent to be carried by Malaysia if it has the capacity to do so. The agreement also includes the national treatment of crew and ships while they are in the ports of the other contracting party as well as the formation of a joint maritime consultative committee as and when it is necessary to deal with matters of mutual interest arising from the agreement. [Excerpts] [Kuala Lumpur BERNAMA in English 1356 GMT 17 Mar 87 BK] /12232

CSO: 4200/412

PHILIPPINES

RECTO: MARCOS 'RETURNING TO MANILA' TO AID KBL

HK161103 Manila THE MANILA TIMES in English 16 Mar 87 p 1

[By Bayani Cruz]

[Excerpt] Deposed President Marcos is returning to Manila to assist candidates of the Kilusang Bagong Lipunan in their campaign for the May 11 elections, according to former MP Rafael Recto.

In an interview yesterday, Recto said: "President Marcos has always intended to come home and this time he will come on time to help us in our bid to win a majority (in the new Congress)."

When asked if Marcos' intention to return was in response to a statement by President Aquino that he "could be allowed to return if he showed self-restraint and cooperation," Recto said: "The President does not need permission from anybody to return to his own country."

He said Marcos as a Filipino can return to the Philippines "anytime" because there is no legal impediment that will bar him from returning "if he wishes."

Recto, however, refused to say when and how Marcos will return.

In a recent interview with the Kuwaiti newspaper AL-ANBAA, President Aquino was quoted as saying Marcos "could return if he demonstrates sincere intention to be self-restrained and to rectify and make up for the sufferings he has caused the country."

Recto said it is the Aquino administration which has caused "a lot of problems for the country" particularly the escalating insurgency problem and the fact that the economy has failed to pick up after 11 months.

/9716
CSO: 4200/403

PHILIPPINES

'ARMS-GRABBING' LIQUIDATION SQUAD REPORTED IN CEBU

HK120757 Quezon City Sports Radio 738 in English 0700 GMT 12 Mar 87

[Text] Communist rebels have launched agaw armas [arms grabbing] liquidation squads not only in Metro Manila but also in Metro Cebu. This was reported by Recom [Regional Command]-7 chief Brigadier General Edgardo Abenina to PC-INP [Philippine Constabulary-Integrated National Police] chief Renato de Villa. The report said the liquidation squad is victimizing PC-INP personnel and civilians whom they suspect as military informers and anticomunist crusaders. Jun Francisco has more on that story:

[Begin recording] Abenina reported the CPP [Communist Party of the Philippines]-NPA terroristic operation code named (?Punok Anay], or Breaking of the (?Heads), was [word indistinct] after the collapse of the cease-fire agreement last February. Citing examples of Metro Cebu PC-INP personnel [word indistinct] Ceser Siwan, Tio Ramon Monares, [words indistinct] Ernesto Domingo, and Police Sergeant [name indistinct] Santos, whose firearms were taken, the Recom-7 commander pointed out that civilians suspected active enemies of the insurgents [words indistinct] as their targets. Abenina gave as examples of civilians killed like Dolores Lariosa, Atanasio Riponte, Jr, Norberto de la Pena, and Jesus Aquiles in different parts of Metro Cebu. The report indicated the killings were indiscriminate, at times resulting to victims of mistaken identity, as in the case of Dolores Lariosa, who was shot to death instead of one Carmen, operator of the food stall near the victim. Abenina said it is widely suspected that Metro Cebu may have its share of its NPA killing fields with mass graves of victims undiscovered in Cagayan de Oro and Davao City. [end recording]

/9716
CSO: 4200/403

PHILIPPINES

NAVY AFFIRMS ABILITY TO CONTAIN NPA AT SEA

HK121005 Manila **MANILA BULLETIN** in English 12 Mar 87 pp 1, 14

[Text] Navy chief Rear Admiral Tagumpay Jardiniano said yesterday the Navy is ready to contain the New People's Army war force at sea, stressing that "there is no reason for alarm about it."

In a press conference held aboard the ship Mt. Samat, Jardiniano told newsmen that the NPA's Bagong Navy ng Bayan (Banaba) [New People's Navy] is only a small group as he brushed off comments that it was starting to build up a strong force in Luzon, particularly in Bulacan.

The Navy chief said Navy patrols have been intensified along "critical areas" where the Banaba is reported consolidating its forces.

"We are keeping a Navy that can protect people and be responsive to their needs," he said.

Navy logistics reforms resulted in cost effectiveness and delivery of more materials to its operating units in the provinces and other habitation facilities of Navy personnel, Jardiniano said.

This was complemented by the improvement of ship and craft maintenance and repair programs, he said.

He also announced the acquisition of 42 indigenous craft for delivery in 10 months this year and a plan to purchase 33 patrol craftfast under the \$40 million naval defense budget.

More boats will be positioned at harbors, wharfs, and ports to check piracy, smuggling, and other illegal activities at sea. Citing that piracy had been minimized in the south after the Navy launched an intensified drive against criminals at sea, Jardiniano said it sprouted elsewhere.

With the installation of more communications and electronic equipment this year to expand and improve the reliability of the Navy network, "we are expecting to minimize if not eliminate illegal activities at sea," he said.

/9716
CSO: 4200/403

PHILIPPINES

BRIEFS

PETITION TO DISBAR MARCOS--Manila, March 11 (AFP)--A top lawyer here said Wednesday he had asked the Philippine Supreme Court to disbar deposed president Ferdinand Marcos from practising law for alleged human rights violations during his 20 years in power. "If Marcos cannot be placed behind bars, he should at least be expelled from the Philippine bar," lawyer and civil rights crusader Martiniano Vivo told AGENCE FRANCE-PRESSE. He said his petition was filed with the high court on February 27. Mr Marcos, 69, who now lives in exile in Hawaii after a popular uprising toppled him last year, was a bar topnotcher and took his oath as a lawyer in 1940. The government of President Corazon Aquino has said Mr Marcos stole up to 10 billion dollars from the country during his 20 years in power, during which human rights activists say 70,000 dissidents were jailed and 40,000 tortured. Mr Vivo said he cited as a precedent the New York Supreme Court's disbarment of former U.S. President Richard Nixon in 1976 for alleged obstruction of justice in the investigation of the Watergate scandal. Supreme Court officials could not be immediately reached for comment. [Text] [Hong Kong AFP in English 1144 GMT 11 May 87 HK]

SENATORIAL CANDIDATES PROCLAIMED--President Aquino assured yesterday [9 March] that the May 11 election will be the cleanest and most peaceful voting in the country in the past 20 years. She gave the assurance while launching the candidacy of the 24 administration senatorial candidates. The president led the administration's rally in Batangas City, where she proclaimed the 24 candidates she personally picked from numerous [words indistinct] from the various parties forming her government. She also called on the voters to elect them to ensure the smooth implementation of government programs. She said there must be a minimum of (?30 candidates) in Congress to avoid derailment of urgent programs needed for national development. Some 10,000 people attended the Batangas rally, which signaled the start of the campaign for the May 11 congressional election. She asked the people to consider the administration's candidates not as Cory's candidates but as candidates of the people. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 9 Mar 87 HK]

RAMOS NONCOMMITAL ON NDF 'GOVERNMENT'--Armed Forces chief general Fidel Ramos remains noncommittal on reports that the National Democratic Front (NDF) has established its own separate government. Bobbie Malay, one of the members of the NDF's peace panel, announced the formation of the separate government yesterday. Ramos told newsmen that the only responsible government official that should comment on such reports are those who held talks with the NDF group. [Text] [Baguio City Mountain Province Broadcasting Company in English 0330 GMT 13 Mar 87 HK]

AQUINO PRAISES MILITARY'S VIGILANTES--The president is not about to pressure the military into abandoning its program to encourage the formation of volunteer civilian vigilante groups in rural areas to fight the rebels. Such a group is the citizens' ronda [round-the-clock shifts] system called the Nakasaka [People United for Peace], which has been successful in the anti-insurgency drive in 11 Davao del Sur towns. The Nakasaka concept reportedly has drawn praise from President Aquino when she was appraised of the project by local Governments Secretary Jaime Ferrer. Nakasaka involves civilian volunteers from various sections of society, working in shifts around the clock to monitor the presence of and the movements of dissidents. [Text] [Baguio City Mountain Province Broadcasting Company in English 0330 GMT 13 Mar 87 HK]

AQUINO ON FAITH, DIVINE PROVIDENCE--President Aquino has again called on the nation to strengthen its faith in divine providence to lead the country out of uncertainty to a brighter future. The chief executive made the appeal when she addressed this morning the assembly of the Philippine Council of Evangelical Churches. The president cited the faith she shared with her husband Benigno Aquino when he came home to the Philippines amidst uncertainty. She added that it was faith that led the daring act of its return to freedom that the country now enjoys. [Text] [Quezon City Sports Radio 738 in English 0500 GMT 12 Mar 87 HK]

HONASAN, CABAUATAN DEMOTIONS--Colonel Gregorio Honasan, former chief security officer of former Defense Minister Juan Ponce Enrile, may be demoted. Others who may be affected by the demotion order are military officials carrying temporary ranks. This followed President Aquino's confirmation of promotion of 134 regular and reserve Armed Forces of the Philippines officers to the permanent rank of lieutenant colonel. The recommendation for retaining renegade Philippine Constabulary Lieutenant Colonel Reynaldo Cabauatan's rank was also rejected. It means that when he returns to the service, Cabauatan will retain his original rank of major colonel, while Honasan remains a lieutenant colonel. [Text] [Quezon City Radyo ng Bayan in Tagalog 0330 GMT 12 Mar 87 HK]

RAMOS ON PRESS REPORTS--Armed Forces Chief General Fidel Ramos strongly criticized some sectors of the press because of distorted reports. He was referring to newspaper reports that said that he went to Davao to personally take charge of widespread military operations against the communist rebels, resulting to the evacuation of more than 23,000 people. According to Ramos, reporters who do not give the right information should be fired. He emphasized that he went to Davao because it was part of his inspection tour. [Text] [Manila Radio Veritas in Tagalog 1000 GMT 11 Mar 87 HK]

/9716
CSO: 4211/33

SINGAPORE

COMMISSIONER TO HONG KONG DEFENDS PRESS POLICY

HK050249 Hong Kong HONGKONG STANDARD in English 5 Mar 87 p 6

[Letter to the editor by Mushahid Ali, "For Commissioner, Singapore Commission in Hong Kong"--date not given]

[Text] Your editorial in the 11 February 1987 issue, criticized the Singapore government's action to restrict the circulation of THE ASIAN WALL STREET JOURNAL. It depicted the move as an attempt to put a wall around the minds of Singaporeans.

Your concern for freedom of information in Singapore is commendable. We hope you will also extend the same concern to the people of Hong Kong who are your readers and give them the benefit of the Singapore government's side of the story as well.

The recent actions by the Singapore government to restrict the circulation of TIME magazine and THE ASIAN WALL STREET JOURNAL have been widely portrayed in the United States as an attack on the freedom of the press. This is an erroneous impression.

The Singapore government does not seek to control or censor the press. It does not want a press which is unquestioning, respectful and sterile.

It believes that in order to continue to make progress it must allow its people to have access to information from all sources.

The facts speak for themselves. There are approximately 3,700 foreign publications in circulation in Singapore. There are 94 foreign journalists, representing 64 foreign news organizations, based in Singapore.

Foreign newspapers and magazines which are printed and distributed from Singapore include the INTERNATIONAL HERALD TRIBUNE, THE ECONOMIST, USA TODAY, Britain's SUNDAY EXPRESS, TIME magazine and THE ASIAN WALL STREET JOURNAL.

The British Broadcasting Corporation has a relay station in Singapore which boosts its broadcasts to Southeast Asia.

In international forums such as UNESCO (from which Singapore has withdrawn), Singapore has not joined the radicals from the Third World to attack the Western mass media.

Instead, it has worked with other like-minded countries to prevent the Soviet Union and its Third World allies from exploiting the legitimate grievances of the developing countries against the Western mass media.

There are two issues on which the Singapore government and some foreign newspapers operating in Singapore disagree. The first issue is whether the freedom of the press is an absolute value.

Some foreign journalists in Singapore believe that the freedom of the press is an absolute right which is not to be subordinated to or mediated by other considerations.

We believe that journalists, like everyone else, must operate within the laws of the land, such as the laws against defamation, sedition, contempt of court and for the protection of official secrets.

Singapore is a young republic of only 21 years. Its population is made up of many different races, religions and languages. It is situated in a part of the world in which these are highly emotional issues.

For these reasons, journalists are expected to refrain from stirring up emotions on race, religion and language which in the past has led to riots and murder.

There is an important point of principle at stake. In both cases, the substantive issues in contention were complex and susceptible to multiple interpretations.

The Singapore government does not insist that its version is the only truth. But the Singapore government does assert that responsible reporting of complex issues for readerships which may not be totally familiar with the background and details must require far more complete and rounded treatment than was evident in either the TIME magazine article of 8 September 1986 or THE ASIAN WALL STREET JOURNAL article of 12-13 December 1986.

By what criterion is the accuracy and fairness of newspaper articles dealing with complex issues to be judged? We would submit that fairness would require that both points of view be presented so that readers can reach their own conclusions on the basis of the facts presented.

In both cases, the Singapore government was denied its right to be heard. We do not tell the press what they may or may not write about Singapore. By the same token, we do not expect the press to unilaterally decide how or whether our point of view is to be heard.

To deny us this right is to assert a double standard.

By denying the Singapore government its right to be heard, TIME and THE ASIAN WALL STREET JOURNAL are, in effect, ironically claiming the right to censor dissenting views in the name of "freedom of the press."

TIME only published the Singapore government's letter after its circulation was restricted. THE ASIAN WALL STREET JOURNAL has yet to do so.

It is unfortunate when distinguished publications must be reminded of the very principles they loudly espouse. But we do not think it is unreasonable to ask the press to practice what it preaches.

[Signed] **Mushahid Ali,**

For Commissioner, Singapore Commission in Hong Kong

/12913

CSO: 4200/404

SINGAPORE

BRIEFS

LEE HSIEN LOONG CRITICIZED--The Singapore Malay National Organization yesterday criticized Brigadier-General [BG] (Res) Lee Hsien Loong's recent remarks on the position of Malays in the Singapore Armed Forces and its implications about loyalty to the country. Expressing grave concern, the opposition party said the Trade and Industry Minister and Second Defense Minister (Services) had offended the feelings of the Malay/Muslim Singaporeans, the "sons of the soil." "Malay/Muslim Singaporeans are prepared to fight it out in the defense of Singapore because they do not have any other place to go." it said in a statement. The party argued that Malay/Muslim Singaporeans belonged to the lower income group and did not have the means to seek refuge in another country in the event of war. "BG Lee should have doubted the loyalty of the wealthy Singaporeans who can pack up their bags and migrate to another country since they have the means to do so," it said.
[Text] [Singapore THE STRAITS TIMES in English 11 Mar 87 p 16 BK] /12913

CSO: 4200/404

CHAWALIT CONTINUES COMMENTS ON CHARACTER OF POLITICIANS

Bangkok NAE0 NA in Thai 17 Feb 87 p 3

[Interview with Gen Chawalit Yongchaiyut, the RTA CINC on 16 February; place not specified]

[Text] Gen Chawalit Yongchaiyut, the RTA CINC, gave a speech on the topic "Politics in the Eyes of the Military" in Chiang Mai on 14 February. His speech has drawn widespread criticism from MPs. Because in his speech, Gen Chawalit made several remarks that were critical of the political parties and MPs. On 16 February, Gen Chawalit clarified his remarks in order to bring about better understanding.

[Question] With respect to what you said about the political parties, will you make recommendations to the prime minister in order to find a way to solve the problems?

[Answer] Probably not. I was invited to express my views on the topic "Politics in the Eyes of the Military, and I did so. Actually, I would like to say that this is politics in the eyes of people in general. Because actually, my view is the same as that of people in general. That is, people do not feel very comfortable with politics. We must help preserve this system by expressing our views and criticizing things frankly. This must be done to help preserve the system.

I also want to emphasize that I am not an enemy of any politician. And I am not an enemy of the system. I want to preserve this system. I want to make it clear that I am not an enemy of any politician or political party regardless of whether it is an opposition or pro-government party. Because politics is all the same. One day a party is an opposition party, and the next day it is a pro-government party. They switch all the time. Thus, I am not an enemy and do not have any ill feelings toward them. We are all friends.

When I spoke in Chiang Mai, I said that most MPs are disciplined people with good qualities. But there are still many who are not good and so we must help make improvements. I was just expressing my opinion as a person who wants to help preserve the system and make it even better. As the saying goes, "if you love a cow, tie it up, if you love your child, beat it. If you love the

system, you must help preserve it." In looking at what I said, you have to look at my intentions. My main intention was to express disapproval. The political parties act like trading companies that are interested only in making profits. This is not right.

If some of the things that I said offended anyone, I apologize. I did not say those things in order to offend anyone. In particular, there is one person for whom I have great respect and affection, that is, Deputy Prime Minister Phong Sarasin. I spoke to him on the airplane. We understand each other very well now. There are no problems. Because if he were not a good person, I would definitely not call him "elder brother." He is well aware of the fact that being deputy prime minister and being a politician is a great honor. Thus, he has stopped engaging in business activities. Besides him, my remarks may have offended several others. They will probably criticize me in return. We will know what has offended them. This is quite common. People's shouldn't think anything about this. I was just saying what I felt.

[Question] MR [royal title--FBIS] Khukrit Pramot said that the fate of the country depends on you alone.

[Answer] He probably wasn't referring to me. He is a lovely person. He is worthy of great respect. He has always worked hard on behalf of the country. Even though he says that he is no longer of any use to the country, he is still of great use politically. In particular, we must make use of his great political experience and learn from him. What he said about me did not mean anything. We understand each other. Our understanding of the problems is similar. I have great respect for him.

[Question] In view of the fact that you criticized politicians, do you think that you will receive cooperation in solving the problems?

[Answer] The problems that have arisen did not arise just recently. They arose a long time ago, and the people are uneasy about these problems. I don't want to say too much. People will criticize me for interfering in the affairs of other people. If this were not my country, I would not interfere. I have constantly said that the military will not interfere. But I cannot allow someone to do something that threatens the country. I cannot allow people to say that something is the duty of this or that person but not my duty. If people want to say that something is this or that person's affair, let them go ahead. But people should not do anything wrong. From now on, there should be a new focus. What is wrong should be corrected. This is not a matter of criticizing each other. I think it would be better if we all worked together to solve the problems.

[Question] Did you want to stop the politicians before parliament convenes?

[Answer] It depends on how you look at it. But if I had not been invited, I would not have given the speech. I have received hundreds of invitations, but I have accepted only one or two. I try to avoid saying too much. I have already said too much. From now on, I will do as much as I can. People will probably remember what I have said. What I have said will probably cause more turmoil, because when we speak the truth, it just causes trouble. But I

want you to know that I was speaking from the heart. As for whether I was trying to stop anyone, you can think about that yourself. The Thai people can no longer put up with improper politics. Every morning, we hear about another fight. Instead of working to build better understanding and solidarity, these people engage in endless arguments. This is true of both the opposition and pro-government parties. The government is making a great effort. Thus, I hope that people stop this. Politics, which has created much worry for the Thai people, should start engaging in constructive activities. And I hope that others won't criticize me again.

[Question] Do the things that you have said refer to the prime minister, too?

[Answer] Pa [Prem] loves the truth and has always fought for this. Thus, there won't be any problem. We must all work together to improve order. The political atmosphere will improve, and everyone will have hope. I hope that people will do things that can serve as models in order to bring about feelings of love and friendship instead of fighting constantly. That can't continue. Something should be done to give confidence and joy to the Thai people, for whom things are already very difficult.

11943

CSO: 4207/143

THAILAND

GENERAL SUNTHON AMPLIFIES CHAWALIT COUP COMMENTS

Bangkok NAEON in Thai 18 Feb 87 pp 1, 16

[Excerpt] "Because the situation is terrible. He couldn't bear this any longer," said Gen Sunthon Khongsomphong, the assistant RTA CINC, about why Gen Chawalit Yongchaiyut, the RTA CINC, criticized politics recently, which has created a hullabaloo and generated much criticism.

Gen Sunthon talked with reporters on the afternoon of 17 February at the army auditorium and said that even though something had to be said, the political situation has not become insecure. "We want people to work together," said the assistant RTA CINC. He cited the example of a school. The people there are all good, but can't work together. People must join together to find talented people.

"People must not cause so many problems for the prime minister that he doesn't have time to deal with the country's problems. He has to solve the problems in the cabinet, he has to solve the problems for the political parties, and he has to solve the problems with the opposition. Why can't people sit down together and discuss their problems? There are many issues requiring attention. It would not be too difficult to solve the domestic problems, because the Thai people are pliable. We must not let the enemy think that we are weak or divided," said Gen Sunthon.

A reporter asked, "in your capacity as a senator, what is the country's situation like today?" Gen Sunthon replied that there aren't any serious problems. The only thing is that all factions should try to work together. The first problem that must be solved is the economic problem. He said that he is sure that all MPs and ministers want to help the country, particularly on the economic front. But there is no common point for using people's views in a beneficial manner. And things will just get worse if people keep saying different things. Thus, people should start working together.

The assistant RTA CINC called on the mass media to help unify people's thinking and prevent splits. Because today, everyone seems to have a different viewpoint depending on whom the newspapers cheer.

As for the different ways in which the RTA CINC's remarks have been construed, Gen Sunthon said that it's up to "how people view things and understand his remarks. Actually, he had very good intentions. And he reflects the feelings of the government. People should not think that the country is peaceful. Internal peace is the most important thing. We can defend the country from external threats. But if there is domestic turmoil, the external problems could become very serious. The MPs and ministers should work together. They must not split apart."

Gen Sunthon explained what he meant by working together. He said that even if people belong to different parties, they must work together if they want the country to make progress and survive. The RTA CINC has talked about this. He said that he fully supports the views of the RTA CINC.

The reporter asked about the rumor that there was an alert during the period 14-15 February. Gen Sunthon said that nothing had happened. The RTA CINC and several senior officers went to participate in a ceremony to pay respects to Mae Fa Luang in Chiang Rai. "The RTA CINC ordered me to look after things here."

Gen Chawalit Yongchayut, the RTA CINC, has declined to say anything more about this. He said that "I don't want to say anything today. I have talked about this several days in a row now."

As for the response by politicians, Gen Han Linanon, the minister of agriculture and cooperatives, said that soldiers are citizens and so they have the right to love the country. If they see that something is not right, they can make criticisms. Politicians are responsible for administering the country and so they must take steps to improve themselves. They must focus their efforts on serving the country and the people.

"When the army talks like that, the political parties must listen," said the minister of agriculture and cooperatives.

Gen Han added that this should not have any effect on the government. He was just expressing his opinion.

Air Chief Marshal Sitthi Sawetsila, the minister of foreign affairs, said that he does not want to say any more about this. If people keep talking about this, it will never die down. The people should be the ones to decide.

The minister of foreign affairs added that the government is still very stable today.

After being informed of the statements made by Gen Sunthon, Sublieutenant Chalat Worachat, a Democrat Party MP from Bangkok Metropolitan, talked with reporters at parliament and told them that there are splits within all the political parties. There are splits even within the military. There are professional soldiers who fulfill their duties. But at the same time, some soldiers play politics in an effort to gain power and make profits.

"If these soldiers are sure, they should resign their positions as senators and concentrate on carrying out their duties. They should not interfere in politics," said the MP from Bangkok. He added that the problems mentioned by the military have arisen because Thailand's administrative system is not a very good system.

Sublieutenant Chalat said that if Thailand were a democracy like the United States, such statements by the military would be considered to be a serious breach of discipline. In a democracy, it is a breach of discipline for regular government officials to criticize elected officials like this. Sublieutenant Chalat said that Thailand's political council still has the power to threaten the government. Such statements by the military are tantamount to attacking and threatening the people.

"The military should stop playing politics. The situation would improve by itself. The military should allow the people to elect their own representatives to govern the country. Regular government officials are not above the government. This makes it impossible to put a stop to exploitation," said Sublieutenant Chalat. He added that history proves that the dictatorial powers have exploited the country more than politicians. Because the politicians are controlled by other politicians and the people. But no one can control the dictators.

Mr Thawin Phraison, a Democrat Party MP from Nakhon Sithammarat Province, said that in referring to splits within the political parties, the RTA CINC was not referring to the case of the 10 January group within the Democrat Party. There are conflicts within political parties everywhere in the world. This is natural. The 10 January group split away just recently. And this was not because of any conflict over interests.

The MP from Nakon Sithammarat said that Gen Chawalit's statement was not aimed at stopping this group. Because people can't stop MPs like this. The group is not afraid that parliament will be dissolved or taken over. If anyone wants to do so, let them try.

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THAILAND

PAPER SEES CHAWALIT 'COUP' POSSIBLE FROM IDEALS, NOT POWER LUST

Bangkok NAEON in Thai 6 Feb 87 p 3

[Editorial: "What is a 'Revolution?'"]

[Excerpts] People have now begun taking a more positive view of the remarks made by Gen Chawalit Yongchaiyut, the RTA CINC, about the subject of revolution. The situation has proven that those remarks have not affected anything. Everything is proceeding normally and peacefully.

Of the 20 political upheavals since 1932, we feel that most of these have been coups. The word "coup" refers to seizing state power and installing a new group of administrators. But the same methods as before are used. There is a change of personnel in the various positions of power, but the political and administrative structures remain unchanged.

We believe that Gen Chawalit Yongchaiyut wants to stage a revolution. But in saying that he wants to stage a revolution, he does not mean that he wants to seize state power. Instead, he is referring to changing several important structures. From what we have observed, Gen Chawalit is a soldier with strong democratic leanings who wants the country to be peaceful and secure. He wants justice in all spheres. He has also stated how long he will serve as RTA CINC. This shows that he is not overly ambitious. He does not like to boast or show off.

Based on this, we are sure that if Gen Chawalit Yongchaiyut actually does stage a revolution, Thailand's future will be even brighter. Thus, everyone should cooperate. Society changes constantly. If a change is good, it should be supported.

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THAILAND

EDITORIAL QUOTES KING ON INEFFECTIVENESS OF DEMOCRACY

Bangkok BAN MUANG in Thai 5 Mar 87 p 4

[Editorial: "Thai Democracy"]

[Text] On 27 February, the king graciously allowed members of the mass media to meet with him in the Hong Khrai Room in Pa Miang Subdistrict, Doi Saket District, Chiang Mai Province, in order to show them an educational development project initiated by the king.

This was an historical occasion for the mass media. The king provided the reporters with background information on various royal projects and talked with them about the efforts being made to improve wasteland areas so that they can be used for working and living. He wanted the mass media to inform people in other areas about this in order to have this serve as a model.

During the evening dinner provided to the reporters, the king spoke about democracy in Thailand. He said that the reason why democracy here is not as efficient as it should be is that we have just copied from other countries. For the same reason, socialism has not been successful either. However, the Thai people like great freedom and like to do things in the Thai style. What the country needs is for people to unite and make real sacrifices. But the country doesn't need a dictatorship.

In his remarks on the democratic system that we are using today, or that resulted from the administrative change of 1932, the King said that this is a semidemocracy that we copied from other countries for the benefit of certain people and certain groups and not for the benefit of the masses. For this reason, Thai democracy is inefficient and has had its ups and downs for 55 years.

Socialism, which has been brought in and propagated, has not achieved results for the same reason. That is, it, too, has been copied from other countries. This shows that the Thai people refuse to accept copies, particularly inappropriate copies.

The king said that the Thai people like freedom and like to do things like real Thai. This matter of freedom and the habit of doing things Thai style must be considered carefully to see whether or not it has been beneficial and whether changes need to be made. What the country needs is real solidarity and a sense of sacrifice. But there must not be dictatorship. This is the most important thing. This is what those responsible for governing the country must build with the cooperation of all people.

THAILAND

WORKERS DON'T TRUST MP'S, WANT QUICK SOLUTIONS

Bangkok SU ANAKHOT in Thai 3-9 Mar 87 pp 17, 18

[Unattributed report: "Laborers' Views on Politics"]

[Text] Mr Likhit Thirawekin, a professor with the Faculty of Political Science, Thammasat University, reported the results of a study on "labor relations with the political parties." A total of 818 laborers at 24 companies in the industrial and service sectors were questioned about political matters. Of these people, 550 worked at places where there was a union.

The poll showed that laborers in every group had a negative view of MPs and politicians. About 70 percent felt that politicians can't be trusted. Besides this, 60 percent felt that few politicians are working to benefit society.

Eighty percent of the laborers felt that elections are beneficial, and 80 percent said that if there is an election to elect MPs, they will exercise their right to vote. At the same time, 50 percent of the laborers said that a system that uses resolute power, such as a military dictatorship, should be used to solve the social problems, because such a system can solve the problems more quickly than democracy.

This study shows that there is a conflict among the laborers (polled by officials). Because while 80 percent said that they would exercise their right to vote for MPs, 50 percent said that a military dictatorship was better suited to solving the country's problems.

The only conclusion that can be drawn is that their understanding of democracy and dictatorship is weak. The Thai people's knowledge and understanding of democracy and dictatorship is fragmentary. This is because both democracy and dictatorship concern "politics," which has been a forbidden topic in our country during certain periods. In some periods, people could not get involved in this or show an interest in this. Political publications were destroyed. Because if the people didn't know anything politics, this made it easier for those governing the country. This was how our politicians thought.

People's understanding of MPs and politicians is wrong. And this wrong understanding will contribute to people in society turning to dictatorship or viewing dictatorship as a way out of the country's problems.

Some people have fond memories of the "water flows, bright lights, good roads, full employment" period of Field Marshal Sarit Thanarat. But they forget that Field Marshal Sarit cheated the country. Later on, people sued for billions of baht. And during that period, thousands of people were jailed or forced to flee into the jungle.

Another thing that has confused the people in our society is that the mass media sometimes communicates wrong information and ideas. For example, during election campaigns, some elements of the mass media and some newspapers say that the verbal war has begun and that the mudslinging season is here. This tarnishes the image of the MPs and politicians. They are portrayed as unruly and unreasonable people and as actors and clowns.

"Corrupt people" is how a senior military officer characterized MPs during the period that an effort was being made to revise the constitution to have the Speaker of the House serve as the president of parliament.

Even though people view the MPs as corrupt people, as businessmen who spend huge sums of money, as casino operators, and as hoodlums, the election of MPs shows:

By Level of Education

Level of Education	Number
1. Grade 1-Grade 10	51
2. Grade 11-12	40
3. Certificate, credential	4
4. Vocational education	17
5. Diploma	11
6. Bachelor's degree	156
7. Postgraduate degree	52
11	
6. Bachelor's degree	156
7. Postgraduate degree	52

Profession	Number
1. Businessman	86
2. Lawyer	32
3. Doctor	4
4. Politician	41
5. Farmer	12
6. Employee	8
7. Former government official	24
8. Other	99
9. No information	41

Looking at these figures, it can be seen that MPs with a bachelor's degree form the largest group. Furthermore, the educational qualifications of MPs have improved with each election.

The attempt to tarnish the image of politicians and MPs, whether intentionally or unintentionally, will just make it easier for dictators to take power again. Thus, systematic political education will clarify people's understanding of dictatorship and democracy.

At the same time, the political parties and politicians must examine their actions to see if they have done anything to make the people apathetic toward MPs and politicians. Otherwise, we will just continue to waste time.

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THAILAND

SAP SPOKESMAN PROFILED, VIEWS COALITION POSSIBILITIES

Bangkok SIAM RAT SAPDA WICHAN in Thai 8-14 Feb 87 pp 54, 55

[Interview with Prasop Butsarakham, the Spokesman for the Social Action Party and an MP from Udon Thani Province; date and place not specified]

[Excerpts] Would you describe your educational and work background?

[Answer] I was born in Nam Phong District, Khon Kaen Province. I was a teacher for 17 years. Later on, I was a member of the first class to earn a law degree from Ramkhamhaeng University. I resigned my position as a teacher and worked as a lawyer. I ran for election for the first time in 1976 but was defeated. I won in the 1979, 1983, and 1986 elections as a member of the Social Action Party [SAP]. Today, I am the party spokesman.

I once served as the deputy minister of agriculture and cooperatives. And I was the assistant secretary to the deputy minister of interior.

[Question] What do you think about the party's situation as a member of the government coalition? Are you satisfied?

[Answer] We are satisfied with the present situation, because we have only 51 seats in parliament. We hold eight portfolios, and that is in proportion to the number of seats we hold. We want parliament to complete its 4-year term. We want politics in Thailand.... The country's problems cannot be solved in a day. We want to help solve the problems. We hope that those elected to a 4-year term will have a chance to solve the problems. If parliament is dissolved all the time and there are frequent coups, I am afraid that the people of the country, who elected us, will become tired of democracy.

[Question] Has the party discussed what should be done to ensure that parliament completes its term?

[Answer] We will hold a seminar on this matter. We will do whatever we can to ensure that parliament completes its term.

[Question] At the time that the government was being formed, there were rumors that the SAP would cooperate with the Thai Nation Party.

[Answer] Actually, the SAP cooperated with the Thai Nation and People's parties in forming a government last time. That was a political chess move. Our party is a small party. If the small parties.... If the Thai Nation, SAP, and People's parties had not cooperated, we would have had little bargaining power in forming the government. Thus, during the formation of the government, our three parties joined forces in order to increase our bargaining power with the Democrat Party.

[Question] Will this be the way that governments are formed each time?

[Answer] The formation of the government depends on the position of the political parties. Until the people elect a majority of MPs from a single party, which would enable it to form a government by itself, I think that the political situation here will continue to be like this. It depends on the people. The present constitution gives the people a chance to play a role in the formation of the government. If the people continue to vote for individual candidates instead of parties, the political situation will stay like this.

[Question] During the formation of the Prem 4 government, the SAP's situation was similar to that of the Democrat Party in the formation of the present administration, isn't that right?

[Answer] Yes, that's right. At that time, if we had been able to form a government as we wanted, the leader of our party would have been appointed prime minister.

The political position of the Prem 4 and 5 administrations are quite similar. In neither election did the people elect a clear majority from a single party.

[Question] As for supporting Gen Prem, it seems that the political parties have no other choice. Is that right?

[Answer] Yes. There is no other choice. Prime Minister Prem is the only person. In the present situation, it is necessary to have him. We have no other choice.

[Question] Is there a difference between "no other choice" and "suitability"?

[Answer] That's difficult to say. Regardless of the political situation in a country, we have to choose the best path possible. In view of the fact that our political parties are still weak, I think that the best choice is Gen Prem.

[Question] How stable is the present government?

[Answer] I am rather concerned about the political situation today. The political situation today is similar to that of the Prem 4 administration. During the Prem 4 administration, the SAP had internal party conflicts. Now, if the Democrat Party can solve its internal problems, there shouldn't be anything to worry about.

[Question] Is it important if just the Democrat Party has problems?

[Answer] Yes, it is. Because the Democrat Party is a large political party. In the past, about 40 SAP MPs joined forces with the opposition. Now, about 40 Democrat MPs have done the same thing. (laughs) This is very worrisome.

[Question] Is there any possibility that the Democrat Party will leave the coalition and be replaced by an opposition party?

[Answer] I don't think that will happen right away. In the case of the SAP, that happened during the 3d year of the term. But the situation of the Democrat Party is similar to that of the 1st year. The situation in the new government may not develop in the same way as it did during the Prem 4 government.

Other countries dissolve parliament. But they do so because the government faction feels that the timing is right. Those who dissolve parliament expect to gain a larger number of votes in the election. Thus, they may remain in power only 2 or 3 years, not 4 years. Whenever the timing is right, they dissolve parliament. But this is not the case in Thailand. By the 3d year, the various factions usually don't want to compromise. They all betray each other.

But as for the political situation this year, we have just started. What happened during the Prem 4 administration will not happen just yet. Things will stay like they are for the moment.

[Question] Does the SAP have any problems today?

[Answer] During the election of an executive committee, we did not have any problems. The SAP has learned from past experiences. We have learned from past lessons. The present executive committee was elected in a natural way. There were no winners or losers. We feel that everyone won, because everyone had a part in the victory.

[Question] But from the outside, it seems that everything had been prepared in advance.

[Answer] That's politics. If we think of a political party as a family, if people are to get along with each other, everyone must share the work. Someone must play the role of father, mother, servant, and child. In this family-style administration, things must be allotted in turns. If a political party does things this way and people accept this, everything will be fine. We must not betray each other and work against each other. That is wrong. We are one party. Why should there be an opposition faction and a pro-government faction? There should be just one faction if we can agree.

[Question] If you had 100, could you divide things?

[Answer] (laughs) We couldn't in the past.

[Question] Is there any difference between now and when Achan [Teacher] Khrukrit was the party leader?

[Answer] I think that there is a great difference. During the period that he served as party leader, our party clung to individuals. But after he left, we began to cling to principles. We began to cling to democratic principles.

[Question] Why?

[Answer] Because he is a highly respected figure. He is very talented. Party members usually did whatever he said, because they considered him to be a very wise person. Today, there is no one like him, and so we now cling to principles.

Air Chief Marshal Sitthi Sawetsila is a suitable person in the present situation. At the very least, he has been engaged in a variety of work. He worked in the National Security Council and has served as minister of foreign affairs in several administrations. Our party leader is a well-known figure abroad. But within Thailand, he isn't as well known as Achan Khukrit. Today, our party leader is trying to visit various provinces in order to build up his prestige as party leader. If he becomes better known within the country, we feel that he will be on a par with the leaders of other parties.

[Question] An SAP minister had to resign just after the administration was formed. What steps have been taken to ensure that this does not happen again?

[Answer] As for what happened, it is not right to say that the SAP was the one who did this. The political parties in a coalition government are like people living in separate houses but under the same authority. Normally, such people have to rely on each other. As for what happened that time, based on political conventions, we should not have allowed Minister Surat Osathanukro to resign. But as Minister Surat has said, Thai politics is played according to Thai rules.

This is something about which the Prem 5 administration must be very careful in order to ensure that this does not happen again while we are part of the government. That should be the first and last time that this happens. Thai political parties should not let such things happen. This is not good.

This taught the SAP that the parties in the coalition were not united. Those who have joined hands to form a government must hold on to each other tightly. Otherwise, such things will happen again.

[Question] If the Democrat Party faces a no-confidence debate, the SAP may do the same thing that the Democrat Party did.

[Answer] Those of us who belong to the SAP consider ourselves to be political gentlemen. We are trying to be political gentlemen.

[Question] Then there won't be any retaliation?

[Answer] We don't want to retaliate. (laughs) We are very disappointed. But we don't want to use that as an excuse to retaliate against others. We will act like gentlemen. (laughs) We will be patient.

[Question] What is your view of the opposition parties?

[Answer] They are clever in playing the political game. They rely on the mass media and on the state's public relations. What is strange about Thailand is that the people have little confidence in those who form the government. But they believe the opposition and those who disagree with the government.

[Question] Why is that?

[Answer] Because the Thai.... Previous administrations were not very successful in solving the problems. The villagers hoped that things would improve. They kept hoping and hoping. Our country was governed by dictators for a long time. When they first came to power, they said this and that and had mottos. And so initially, things looked promising. But after awhile, things just grew worse. This is embedded in the minds of the people. Now, it is very difficult to solve the problems that have been building up over the past 50-60 years. Thus, whenever someone says something that appeals to the people, they go along with that person.

The government must improve its public relations. I don't think that the present government has very good public relations. It should take quick action to improve its public relations. From what I have seen, the government spokesman and deputy spokesman have the same style. The government spokesman should be skilled at giving interviews. From what I have seen, his style is too academic. What is needed is someone who communicates well with people.

[Question] Like the previous spokesman?

[Answer] There must be someone like Mr Trairong. But today, the spokesmen are too academic. There must be someone who can communicate with the people and gain their support. I think that this is something that needs to be improved.

[Question] What does the SAP do to monitor the work entrusted to the ministers?

[Answer] At each party meeting, we bring up the problems and ask what steps the ministers have taken to solve the problems and what progress has been made. We do this regularly. I have asked questions and ministers have responded by saying what problems need to be solved.

[Question] In your capacity as an MP, what have you achieved in parliament?

[Answer] I am now serving on the government's Coordination Committee. Every bill submitted to parliament, regardless of whether it is submitted by a political party or the government, must pass this committee. I consider myself to be a pillar of the government in getting the political parties to reach a compromise on the bills.

I am also the deputy chairman of the Foreign Affairs Subcommittee. In the past, I was interested in agricultural matters and so I served on the Agricultural Subcommittee for two terms. Later on, I became interested in world political affairs and so I became a member of this committee. I have much knowledge about domestic agricultural matters.

[Question] What is your view on revising the constitution?

[Answer] I don't think that the constitution should be revised by just one faction. The constitution should not be the affair of the pro-government or opposition parties. The constitution is a matter for the parliament as a whole. Thus, I am in favor of establishing a committee. This committee should include people from every political party. And if possible, the Senate should send representatives to study which articles need to be revised. Everything that needs to be corrected should be corrected at the same time. We have not been successful in revising the constitution because parliament has not played a role. I want this to be the idea of parliament.

[Question] Why are you an MP from Udon Thani when you were born in Khon Kaen?

[Answer] I attended secondary school in Udon Thani. After that, I received a 4-year scholarship from Udon Thani to attend a teachers college. People who receive a scholarship from a province must teach in that province for a specified period. I returned there to teach and was married there. Most of my friends are teachers. I decided to run in Udon Thani because I had made many friends there since leaving home. The only supporters I had in my native village were my relatives, who lived in a single subdistrict. But in Udon Thani, I had many friends who were teachers. Today, many of them are principals, and they are working in various subdistricts and villages. Friends encouraged me to become a politician.

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RAMKHAMHAENG STUDENT POLITICS, LEFTWING PARTY ANALYZED

Bangkok MATICHON SUT SAPDA in Thai 25 Jan 87 p 9

[Unattributed report: "The 'Struggle for the Country' Operation of the Ramkhamhaeng Student Parties"]

[Text] Even though the political strength of the student movement has grown weaker and weaker since the bloody events of 6 October 1976 and political activities within each university have declined greatly, the yearly election of a Ramkhamhaeng University Student Organization (RUSO) and Ramkhamhaeng University Student Council (RUSC) is still watched closely by outsiders. This is different from at other universities, where few people show any interest in such elections.

This may be because Ramkhamhaeng University is different from other universities. Besides being an open university, it has a huge studentbody and students have great freedom of expression. Students do not have to abide by as many disciplinary regulations as those at other universities.

What is important is that Rumkhamhaeng University was founded because of politics, and it has grown because of politics. And because such a large number of students attend the university, in the past, various political groups have tried to use the students here as a base and as an arena in which to reproduce the political struggle.

Even though the political situation has changed now, the struggle for control of the RUSO and RUSC is very fierce. During school-year 1987, seven parties are running for election. Number 1 is the Phattana Panyachon [Intellectuals Development] Party. Mr Mahawan Kawang is running for president of the RUSO. Number 2 is the Krasue Tham [Moral Line] Party. Mr Bunchuai Kaeosai is running for president. Number 3 is the Seriphap [Freedom] Party. Mr Surin Nukaeo is running for president. Number 4 is the San Saengthong [Morning Light] Party. Mr Wimon Choetchuchon is running for president. Number 5 is the Athipat Party. Mr Sombun Chaowana is running for president. Number 6 is the Thoetram Party. Mr Sathit Nunsuk is running for president. Number 7 is the Naksuksa 7 Khana [Seven Faculties Student] Party. Mr Ruangyot Butrat is running for president.

In this year's election, there is one more party than last year, that is, the San Saengthong Party entered the race this year. But even so, the race is really between the two large parties, that is, the Thoetram Party, which controls the RUSO and which holds the majority in the RUSC, and the Athipat Party, which came in third in last year's election. The other five parties are just "accessories" that will "stir up" things and make the election even more exciting. But the Athipat and Thoetram parties cannot become careless. Because the activities of these other parties could take votes away from one of these bigger parties.

Even though the Thoetram Party won an overwhelming victory last year, this does not mean that it will easily be able to win control of the RUSO and RUSC again. Because recently, the Thoetram Party has come under attack on several issues.

A political observer at Ramkhamhaeng said that the Thoetram Party has been attacked for having close relations with certain senior army officers. It is said that the party supported the military when the Budget Subcommittee cut the secret budget by 4 million baht. Also, the party has received support from certain opposition parties. It is said that it was given money to carry on activities in support of the view that the prime minister does not have to be an elected official.

"From what I know, the Thoetram Party is still receiving support from a former rector who wants to use the Thoetram party as a base of support in the selection of a rector this February," said the news source.

The party's weakness is that its performance in serving the students at the university has not been very impressive. There have been disputes with academic circles about money for preparing study notes. Besides this, there is suspicion about what happened to the 2 million baht that was supposed to be distributed to the more than 40 "Matuphum," or local, groups. Because to date, none of these groups has received any money.

The campaign stratagem employed by the Thoetram Party is to hold parties for students at various dormitories and distribute various items. It is expected that the day before the election, large numbers of study notes will be distributed in an effort to win votes.

"The problem that the Thoetram Party has not been able to solve is the conflict between the northeastern and southern factions in the party. There have been conflicts every year. At this year's meeting to select a candidate to run for president, they selected the present vice president of the RUSO, who is from the northeast. But Mr Bancha Chaccho, the president of the RUSO, nominated Mr Sathit, who is from the south, instead. This upset the northeastern faction, and it split away. This will affect the party's base," said the news source at Ramkhamhaeng University.

As for the Athipat Party, even though it came in third in last year's election, this year everyone thinks that it has a good chance of winning. Last year's defeat taught the party a lesson, and throughout the year it has tried to collect money for the campaign by sponsoring various activities.

An old charge has again been leveled against the Athipat Party. That is, it has been accused of being a front of the communist party. The party does accept the theory that communism would improve things.

"But the striking point about the Athipat Party is that it is the only party that belongs to the National Student Federation of Thailand, which is the strongest student group today," said the news source. He added that besides this, the Athipat Party has the support of Mr Sukhum Nuansakun, the present rector, who is running for the position of rector again.

As for the campaign atmosphere at Ramkhamhaeng University, besides the fact that the parties use bands to attract people to listen to the party's speeches, the parties also engage in various "dirty tricks" such as tearing down each other's posters and covering up their opponents' posters with their own. There have also been rumors that much money will be spent to buy votes on the final day of the campaign.

However, when the day of decision arrives on 22 January, the party elected to administer the RUSO will certainly be the party that will work hard to preserve the interests of the students.

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THAILAND

PREM INNER CIRCLE INVOLVEMENT IN RICE TRADE REVIEWED

Bangkok MATICHON SUT SAPDA in Thai 25 Jan 87 pp 7, 8

[Unattributed report: "Watch the Price of Rice, Inner Strength From the Small Cabinet"]

[Text] "I am doing my best to solve the rice price problem. The rice export measures have achieved excellent results. The matter has died down now. I think it's because of the New Year's holiday. But the rice price problem will definitely improve this year," said Admiral Sonthi Bunyachai, the deputy prime minister in his capacity as chairman of the Rice Policy and Measures Committee [RPMC], to MATICHON SUT SAPDA.

Ever since he was put in charge of policy to solve the rice price problem, Admiral Sonthi has come under heavy criticism from various circles. Besides farm leaders and students, even people in political circles have viewed his appointment to the position of chairman of the RPMC as an insult to Police Cpt Surat Osathanukhro, the then minister of commerce. Also, people in general and the mass media have criticized his "work personality," saying that he is not a professional in this field and that he is not experienced in solving such a chronic, delicate, and politically sensitive problem that could affect the government's stability at any time and that creates problems every year.

Perhaps Gen Prem Tinsulanon, the prime minister, who once served as chairman of the Rice Market Intervention and Rice Price Support Committee, decided not to take this sensitive position because of his great political experience. He probably realized that it is very difficult to solve the rice price problem at the end point. Instead, various plans and preparations must be made, including production plans and plans on rice varieties, areas, yields, the marketing system, and exports. In particular, the country has recently experienced a crisis as a result of the U.S. Farm Act. As a result of this act, the price of Thai rice on world markets remained low in 1986.

After the cabinet issued a resolution, through a military-like order by Gen Prem, appointing Admiral Sonthi to this "front-line" position, the faculty at Thammasat University issued a statement sharply criticizing the policies and measures of the RPMC. This was added to the criticisms from rice mill owners, who were proposing that the government lower the income tax and "point-of-payment-deduction" tax in order to make it easier for the mills to

carry out the government's policy. They wanted these taxes lowered in addition to the 5 billion baht in low-interest credits.

Finally, the government implemented its measures aimed at raising rice prices. The state has poured in more than 10 billion baht to solve this problem. The measures are as follows: 1. Pressure has been put on the Ministry of Commerce to export more than 4 million tons of rice at the beginning of the season, including using counter trade. 2. A total of 300 million baht has been allotted for promoting rice exports and finding ways to export as much rice as possible. 3. A total of 500 million baht has been allotted to the agricultural cooperatives to have them purchase rice from the farmers at a price above the market price. 4. Farm groups have been given 300 million baht to purchase rice and keep too much rice from reaching the markets. 5. The Marketing Organization for Farmers will allow the farmers to pay for fertilizer with paddy, and the Bank for Agriculture and Agricultural Cooperatives will extend the deadline for farmers to pay their debts. 6. The Ministry of Interior will purchase rice from poor farmers in all regions of the country and pay them 100 baht per kwian [1 kwian equals 2,000 liters] above the local market price. A total of 800 million baht has been allotted for this. 7. The Bank of Thailand will extend 5 billion baht in credits through the commercial banks, merchants, rice mills, and exporters. The interest on the credit extended through the banks will be 1 percent; the interest on that extended through the merchants, rice mills, and exporters will be 3 percent. 8. The state has allotted 5 billion baht for the farmers through the Bank for Agriculture and Agricultural Cooperatives. The farmers will pay interest of 3 percent in pledging paddy, up to 80 percent of value.

However, not one of these measures will push up rice prices. Because the fact is, even though 5 billion baht has been allotted for merchants and rice mills to purchase rice, many of the mills cannot borrow money from the banks. This is because they are already in debt to the commercial banks, and they don't have collateral to use credit. At the same time, the farmers are demanding that the government guarantee the price of rice at 3,000 baht per kwian. The price today is just 2,000 baht per kwian even though the new rice harvest has not yet gone to market. Thus, it seems as if the government's measures will fail even before they are implemented.

Perhaps the reason concerns the "Ban Sisao staff's" understanding of the rice problem. Not only does Gen Prem sit in on meetings of the RPMC in order to help improve the morale of the committee members and Admiral Sonthi, but in his capacity as the secretary of the RPMC, Maj Gen Surayut Chulanon, a military aide to the prime minister, has established an RPMC office at the Santi Maitri Building, Government House, and staffed it with more than 10 officials from the four ministries concerned with rice matters, that is, the ministries of interior, finance, commerce, and agriculture, and the units concerned. The daily reports on rice matters are sent directly to Maj Gen Surayut.

"The price of rice today is about 2,200-2,300 baht per kwian. The price has dropped slightly, because rice is being sent to market during January. It is expected that 25 percent of the rice yield will reach the markets this month. We are trying to monitor things. Using the export measures and the measures

for extending credit directly to the farmers, I think that we will be able to push up the price to approximately 2,600 baht per kwian," said Maj Gen Surayut to MATICHON SUT SAPDA.

That is not all. In his capacity as chairman of the Committee to Coordinate Bureaucratic Activities Based on Government Policy, or the small cabinet as it is called, Squadron Leader Prasong Sunsiri, the secretary general of the prime minister and head of the staff at Ban Sisao, has held several meetings with the under secretaries of the ministries and enjoined them to implement the rice measures. He has stipulated measures to "check" the activities of the units concerned and see how much they have done. "Now that we have measures to check and monitor the activities being carried on to solve the rice price problem, it's the duty of the ministries, which have inspectors, to submit reports on the results of the work to the committee.

"Besides this, there are inspectors attached to the Office of the Prime Minister who will supervise the officials," said Squadron Leader Prasong concerning the method of inspecting and supervising the government units to ensure that this policy achieves results. Besides this, Mr Ari Wongarya, the governor of Suphanburi, an important area that has rice problems, was asked to come to the Government House at the beginning of November to discuss this matter.

In order to ensure results, Squadron Leader Prasong has also entrusted the National Security Council [NSC] with the task of monitoring the rice price problem, too. The deputy secretary general of the NSC has been ordered to monitor the activities of the ministry officials in the areas, gather information, monitor the rice situation, and periodically send reports to Squadron Leader Prasong. We are not sending our people to every region in the country. We are just monitoring the rice situation. If an area has problems or begins to experience problems, we will send people there to observe things. In some cases, the low rice prices are due to the fact that the quality of the rice is poor. For example, there may be problems with moisture, rice varieties, and so on. We will try to solve the specific problems in each area," said an NSC official to MATICHON SUT SAPDA.

Squadron Leader Prasong is now busy studying the data provided him by the NSC. "I am monitoring this constantly. From the data that I have received, the price of rice in 22 provinces has dropped to 2,200 baht per kwian. On 13 January, I will convene a meeting of the Committee to Coordinate Bureaucratic Activities Based on Government Policy in order to compile data from every section and evaluate the rice situation nationwide. Emphasis will be placed on the results of the work done by government units. There are no problems now," said Squadron Leader Prasong.

For the past 7 years, the five administrations of Gen Prem have focused on the immediate problems. It seems that the government has just now begun formulating a long-term plan to solve the rice price problem, a problem that has worn down the nation. Maj Gen Surayut said that the RPMC has collected detailed data on crop growing areas, vegetation, quality, and marketing problems. At the same time, Squadron Leader Prasong's Committee to Coordinate Bureaucratic Activities is concentrating on solving the immediate problems in

the areas and monitoring things, such as the activities of the government units. Even though the price of rice will not reach 3,000 baht per kwian this year as the farmers have demanded based on their claim that production costs are 3,230 baht per kwian, it is unlikely that there will be any farmer unrest or that the farmers will hold protest demonstrations in front of the Government House.

This will not be because the government has poured in more than 10 billion baht and implemented a variety of measures or because the price of rice will shoot up. It will be because the Ban Sisao staff takes action to prevent anything from happening in each area using personnel from the NSC. For example, the demonstration by farmers from Suphanburi at Don Chedi at the end of November to demand a guaranteed paddy price of 3,000 baht per kwian was blocked and kept from developing even though the farmers had announced that they would march on the Government House at the beginning of December unless the government guaranteed rice prices.

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THAILAND

MONK: SUBSIDIZED RICE SALES BOOMING

Bangkok THAI RAT in Thai 2 Feb 87 pp 1, 18

[Excerpt] At 1145 hours on 1 February, Chaokhun Udon Khanaphirak, or Kittiwuttho, the director of Chittaphawan in Banglamung District, Chonburi Province, talked with reporters about the progress made in purchasing paddy in accord with the annual wet rice paddy price intervention program. Provincial development funds are being used to purchase and mill paddy and then send it for distribution to help the farmers get a better price for their paddy. He said that at present, the program is progressing well. Large quantities of paddy have been milled and sent to market. Thus, there are no worries concerning markets. Because at present, a foreign merchant has come and asked about purchasing rice directly for shipment to the United States. The first shipment of 200 tons at a price of 8,300 baht per ton will be shipped after the contract has been signed. This is Grade 1 jasmine rice. The buyer has provided two types of bags, 25-pound and 50-pound bags. The buyer is the owner of a large supermarket in the United States. The rice will be on sale around the end of February.

Phra Kittiwuttho said that the rice will be shipped to the supermarket in the United States sometime this week. A total of five containers of rice will be shipped. Each of the sacks of rice will be stamped with the English words "Grade 1 Jasmine Rice From Thailand." This will be the first shipment of such rice. As for the next shipment, the price is now being negotiated. The buyer is a Middle Eastern country that wants to use the rice to help countries in Africa. It wants to purchase 200,000 tons. If an agreement can be reached by the end of next month, a large quantity of paddy will be milled as quickly as possible. It may be necessary to hire large mills to help mill the rice at a price of 200 baht per kwian [1 kwian equals 2,000 liters]. Mills have already been contacted. The rice to be sent to Africa is low-grade rice.

Phra Kittiwuttho added that farmers should not be in too much of a rush to sell their rice. The 10 million baht that the province allotted for this may not be enough. Thus, we will use a revolving capital technique using the funds provided by the government. The milled rice will be sold and the money earned will be used to purchase additional rice worth at least 50 million baht. This will be done over and over until the money can be paid back to the province. An urgent effort is being made to find more markets out of pity for the farmers who are being tricked into selling their paddy to merchants. For example, in some cases, merchants who purchase 1 kwian of paddy, or 100 tang [1 tang equals 20 liters], demand that the farmers give them an additional 1 tang. They are exploiting the farmers. This has been going on for a long time. "If this continues, the farmers will just get poorer and poorer." This is in addition to the fact that they already put downward pressure on prices.

THAILAND

NEW SHARE FUND OPERATION, RINGLEADER PROFILED

Bangkok MATICHON SUT SAPDA in Thai 25 Jan 87 pp 4-6, 37

[Unattributed report: "Profile of the 'Fakhram' Godfather, a Billion-Baht Share Fund"]

[Text] From Phatphong Businessman to Medium for Luang Pu

Even before the old wounds inflicted on unlucky investors by the Mae Chamoy, Mae Nokkao, and Charter share funds had had time to heal and even before a group established to denounce Mae Chamoy had disbanded, a new share fund, the "Fakhram" fund, was started. Department of Lands officials who dealt with land developers were stunned by the fact that a person who had been a small land developer in the Samrong Bangna area 10 years ago was now following in the footsteps of Mae Chamoy.

Mr Phonchai Singhasemanon, the chairman of the board of the Sema Fakhram Nakhon Company Ltd, can be considered to be a very experienced businessman. Not only has he been able to mobilize huge sums of money in a very short period of time just like other share fund operators, but he is a veteran among cunning and deceitful land traders. He has also been involved in business activities involving "worldly pleasures" in the Phatphong area, import-export activities, and the security business. Secret police reports contain more than three typed pages on his involvement in bad check cases. He has been involved in so many of these cases that even he can't remember all of them.

Mr Phonchai was born on 24 December 1945. He is now 42 years old. He was born into a middle-class family with 20 children. After completing secondary school at the Santirat Bamrung School in the Phyathai area, he went to work for Air France. After that, he worked for Trans World Airlines. When he was 25 years old, he became an aircraft sales agent and then became involved in import-export activities and the security business.

Ten years ago, Mr Phonchai, who now serves as a medium for Luang Pu at Wat Ban Laem every Tuesday, Thursday, and Saturday, was involved in business activities on Phatphong Road. He first became involved in these activities while working as an aircraft sales agent in that area. He worked in an upstairs office and realized that the area offered a chance of making huge profits. And so he opened a bar and cocktail lounge on the ground floor of the

building. From that time on, his business thrived and expanded. Occasionally, he sold some of his business operations to others. His businesses, such as the Ding Dong, Pupe, and Napoleon, were popular with people seeking the pleasures of the evening.

Small Developer Who Has Problems With Bad Checks

Mr Phonchai began engaging in land sales and land development activities in 1977. Fellow real estate agents who are quite prosperous today, including the vice president of the Association of Real Estate Agents, agree that Mr Phonchai "has an eye" for profitable sites. Those who know about him often bring him land deeds to look at in order to get his opinion on what they should do. Thus, it is not strange that when the police searched the Sema Fakhram Company on 13 January, they found land deeds belonging to a former police lieutenant general in the company's safe. Last year, this former police officer and land kingpin along the Bangna-Trat Highway near Ramkhamhaeng 2 had Mr Phonchai look at the land deeds and asked him to develop the land in that area.

Buying and selling land made sense to him. Because in many cases, all that was required was a small down payment. The land could then be resold for a profit. Thus, Mr Phonchai became more and more involved in this and finally decided to become a land developer in the Bangna-Samrong area. The results of his land development activities did not please his customers. A report from the Department of Lands states that customers of Mr Phonchai filed many petitions with the Department of Lands. Many others brought evidence and filed bad check charges against him. But officials couldn't do much to help them. Because at that time, the Land Development Control Law had not yet been promulgated. However, after that, senior officials in the Department of Lands began keeping an eye on the activities of Mr Phonchai.

During the period when illegal and legal trusts were starting up everywhere, Mr Phonchai was one of those who established a small trust company. This was not a very successful venture for him, because he was saddled with many debts.

It can be seen that before Mr Phonchai became involved with the Fakhram share fund, he had already been involved in the "entertainment" business and in land and financial activities. Making use of all his past experience, he established his Fakhram Nakhon empire at Khlong 2 in Khukhot Subdistrict, Lam Lukka District, Pathumthani Province. With a large housing development as his base, he has expanded into illegal financial activities. At the same time, the Fakhram Nakhon community project includes the "La Violet" cocktail lounge and the elegant Sema House Restaurant, a type of business in which he had much success in the past. What is different from in the past is that he has dedicated himself to being the medium of Luang Pu at Wat Pan Laem.

Turning Lam Lukka Into the Fakhram Empire

The Fakhram Nakhon project got underway in 1982. He began by purchasing 72 rai. Later on, he purchased another 52 rai. The housing development was divided into 674 single-family houses and duplexes. Initially, he arranged to borrow money for the project from a finance company. But shortly after that,

this finance company collapsed and so he had to find another financial institution to support him. Mr Phonchai revealed that while he was looking for financial support for this project, he had to pay large sums in bribes. He even contacted a construction company from the People's Republic of China. In the end, he received financial support from the Thai Military Bank. A man close to Mr Phonchai revealed that before obtaining this support, Mr Phonchai had to give one house to a powerful person as a bribe. However, senior officials at the Thai Military Bank have denied this.

Low-priced housing, no down payment, mortgage payments of 2,000 baht a month beginning when construction begins, move in on fulfillment of terms. This was the initial marketing concept of the Fakhram project. Many people came and reserved a house. But the project that looked so promising at the start ran into problems, because the Department of Lands refused to issue a land development permit. This was because the project land was still mortgaged to the bank. After the buyers finished paying the money owed, ownership was not transferred to them and so they began submitting complaints.

The problems that led to the Department of Lands refusing to grant a land development permit to the project was not a problem just between the Department of Lands and Mr Phonchai. In addition, Mr Phonchai failed to get the Thai Military Bank to cancel the mortgages on some of the houses and land in order to transfer ownership to the buyers, transfer the debt to the buyers, and reduce Mr Phonchai's debt with the bank. This was because the size of the plots of the single-family houses and duplexes was smaller than the standards stipulated in the Land Development Control Law. Thus, one divisional chief in the Department of Lands proposed that if permits were to be issued, this should be done for groups of 100 plots. But the Thai Military Bank felt that doing this for Mr Phonchai would be too risky. The bank did not really trust Mr Phonchai. Instead, the bank proposed discharging the mortgages on groups of six or seven plots so that he could request a permit.

They were unable to reach an agreement. The request by the Fakhram Nakhon project for a development permit was accompanied by a letter signed by a former deputy minister. This letter was sent to the director-general of the Department of Lands and stated that "he is my friend." But this letter had no effect. After that, the Department of Lands charged him with developing land without permission. The trial court found the Fakhram Company guilty of the charge. The case is now in the appeals court. In 1985, the Thai Military Bank filed charges against the Fakhram Nakhon Company, defendant No 1, and Mr Phonchai, defendant No 2. The bank charged the defendants with violating the mortgage insurance contract, with the total amount being 117,164,561.21 baht as of the date of the suit.

The charge stated that the Sema Fakhram Nakhon Company violated the contract. It failed to pay the interest, with the result that the debt exceeded the money in their account. And it did not make the monthly payments on the temporary loan as stipulated in the contract. Also, the company issued a promissory note to the bank, but at the stipulated time, it did not have any money in its account to pay the debt. The company filed a countersuit and demanded that the bank pay damages totaling 494,923,578.99 baht. At the end of 1986, the Thai Military Bank filed suit in court in order to force the company

to remove the sign at the entrance of the company. The sign said that the "Thai Military Bank Supports the Project."

And just as in the past, Mr Phonchai ordered his lawyers to file a countersuit and demand damages of more than a billion baht. As of today, the Thai Military Bank and the Sema Fakhram Company have filed more than 10 suits against each other. "I think that I have been damaged each time they have filed suit. I will file a countersuit and demand damages." That is the view of Mr Phonchai.

Fakhram [Blue Sky] Pays Interest in Purple and Red

The Sema Fakhram Company is probably the first and only company in Thailand to have increased its registered capital to a billion baht in just a short period of time. Just after it was established and when it was still called the Sema Investment Company, it had registered capital of 1 million baht. When it asked for a loan from the Thai Military Bank, the company was asked to increase its registered capital to 5 million baht. And when the bank withdrew its financial support, the registered capital was increased to 100 million baht and then to 500 million baht and finally 1 billion baht. This occurred around the beginning of 1986. Mr Phonchai claims that this registered capital was based on the value of the company's assets.

Of the 1 billion in shares, Mr Phonchai plans to sell shares worth 450 million baht through approximately 50 brokers, or "order agents" as Mr Phonchai calls them. The rate of return is even higher than that paid by Mae Chamoy. That is, he has offered to pay 200 percent in 2 years, or 100 percent a year or 8.33 percent a month. This is the inducement that he offers to those people hoping to "get lucky." The method used is very simple. A person who invests 100,000 baht makes a profit of 200,000 baht. That is, he is to get back a total of 300,000 baht over a 24-month period. He is to be paid 12,500 baht a month for 24 months. Thus, he will recover his initial investment in just 8 months. The rest is profit.

Where could Mr Phonchai get the money to pay the shareholders, or share fund customers, such a high rate of interest? Mae Chamoy would have said that she was getting the money from oil trading activities. But Mr Phonchai has said that he gets the money from the housing development activities. He purchased the land for only 200-250 baht per square wa [1 wa equals 2 meters]. But after developing the land, he plans to sell it for 4,000 to 5,000 baht per square wa. He has said that the reason why he needs to mobilize capital like this is that the bank has stopped providing financial support. Thus, he has had to find some other source of capital to continue the project.

Very few businessmen with experience in this sector think that this is feasible. Some projects fail even though they use money borrowed from the banks at a much lower rate of interest. Looking more closely at the money to be paid to the shareholders, it can be seen that the money is to come from selling houses and land. But these are future profits to be realized if the houses and land are sold. But each month, Mr Phonchai must spend money to buy back the shares. Because he is not yet making a profit from the houses and land, where will he get the money to buy back the shares? The only answer seems to be, from selling shares to new shareholders. Suppose that the number

of houses already completed and the number to be built in the future totals 3,800 houses, that buyers have already reserved all the houses, and that they are each paying 2,000 baht a month on their mortgage (actually, its unrealistic to suppose that all of the houses will be sold before the houses are built). The Sema Fakhram Company will have a monthly income of 7.6 million baht. Mr Phonchai claims that the company has already sold about 200 million baht in shares. Thus, the cost of buying back the shares totals 25 million baht a month. The great difference between monthly receipts and disbursements clearly shows that the money to buy back the shares is not coming from the profits. Instead, it is coming from new shareholders. Thus, this is just another pyramid scheme.

Things become even clearer if we look at the reason for mobilizing this money and look at whether it really is being used to build a housing development. People have asked Mr Phonchai whether there will be further expansion in addition to selling the 450 million baht in shares. His response was that "if there is no other policy, we will not expand. But today, many of our shareholders want the company to expand its operations." Furthermore, customers who go to the Fakhram community are urged to purchase shares rather than houses.

Even though the number of shareholders in this sha 8. Other
come from a great number of units in both the public and private sectors. Thirty percent of the shareholders in this share fund are from the Don Muang area. The people who stand to profit from this are Mr Phonchai, his relatives, and the 50 brokers, who receive a commission from the profits received by the shareholders each month.

The "Blue Sky" Is Turning Dark

The bright dream of the Fakhram Company is beginning to fade. On 28 August 1986, the activities of the company aimed at mobilizing capital were discussed at a meeting of the work committee of the Act on Loans That Defraud the Public. Those at the meeting passed a resolution stating that the company's activities seemed to be in violation of this act. Police Maj Gen Prayun Komankun Na Nakhon was appointed head of an investigative team. It will not be easy for the officials to carry out their task. This share fund was established after this act was implemented. Mr Phonchai once said that "before I began selling shares using this method, I studied this act."

Even Mr Mora Bunyaphon, the deputy under secretary of finance and a member of this work committee admitted that the Sema Fakhram Company has used loopholes in the law. Officials must consider this carefully. A senior official in the Ministry of Interior said that a legal advisor to the Sema Fakhram Company was involved with the legal advisors of Mae Chamoy. It took officials more than 4 months to gather evidence and study the law to see if action could be taken against this share fund.

During the period that officials have been investigating this case, the share fund has not ceased operations. During the final quarter of 1986, the Fakhram share fund carried on a variety of public relations activities. It ran

full-page color advertisements in almost all the business newspapers. Share fund agents urged people to invest in the fund. They told people that if they waited, they would not be paid such a high rate of interest, because the company planned to change the rate of interest paid at the beginning of 1987. Even though Mr Phonchai has been arrested, the company's lawyer continues to maintain that the company has not violated the law. But there is very little difference between the company's activities and the violations stipulated in the act.

The phenomenon of the Fakhram share fund is a symptom of a "festering wound" in the country's financial system just like the Mae Chamoy, Mae Nokkao, and Charter share funds in the past. And most likely, this will not be the last such fund in Thai society as long as there are greedy people, as long as people in general do not have any better hope, and as long as the country's financial system continues to have weaknesses.

However, such "festering wounds" can be treated quickly if elements of the state apparatus, dark powers, and senior influences in society do not get involved.

Phonchai Singhasemanon is a dark-skinned Thai of medium build. His shareholders and employees refer to him as "Mr Chairman." He can often be seen carrying a pipe and bottle of snuff. He pours the snuff into his hand, stuffs it into the pipe, and then blows it into his nose. That is a personal habit. But he is a very neat and clean person who likes order. His second-floor office is decorated very nicely. There is a small wooden bed and triangular pillows on which to recline. To maintain his health, he takes ginseng.

He is married to Sirinat Sinhasemanon, or Chit. They have five children. The oldest, a daughter, is 16 years old. The youngest, a son, is less than a year old. They named him Fakhamron.

His dream for the Fakhram Nakhon project is to build a tourist site. He plans to expand the project area by another 2,000 rai. He plans to build a deluxe apartment complex for tourists. After that, he plans to build Thai-style houses with a corridor between the buildings. These will be the largest Thai-style houses in the world. He plans to build a members-only club for businessmen and a Buddhist temple to house five Buddha images.

"Fakhram Nakhon will be the biggest project of my life. After I complete this project, I plan to involve myself in religious activities and stay out of business."

Last October, in response to the fact that the government is keeping an eye on the activities of his company, Mr Phonchai said that the "Ministry of Finance and the Bank of Thailand are keeping an eye on my activities. This doesn't scare me. I don't know Mae Chamoy or Mae Nokkao. The government toppled three people, but has that enabled them to reimburse the people? When finance companies have encountered problems, the government has poured in money to help them." He added that the "government shouldn't make a mountain out of a molehill. If the government can't govern the country, they can make me prime minister. I will abolish taxes within 3 years. Second, I will provide jobs for people nationwide within 120 days. Third, I will pay off the country's foreign debt within 1 year. I am not just saying this. I can do this. If I can't, you can take me and flay me alive at Sanam Luang."

SEMINAR EXAMINES COMMERCIAL BANKS' WEAKNESSES

Bangkok MATICHON in Thai 20 Feb 87 pp 1, 2

[Unattributed report: "Largest Banks Are Among the Weakest"]

[Excerpt] At 0900 hours on 19 February at Thammasat University, a seminar was held on the topic "The Security of the Financial Institutions." Mr Chettha Loha-unchit, the director of research, Industrial Finance Corporation of Thailand, spoke about the problem of commercial banks experiencing deficits and going bankrupt. He said that this has been a problem for a long time. In addition, the economy has been bad. If government officials don't audit the books of the commercial banks, the banks can survive by revolving capital. But this will just become a chronic problem. The Bank of Thailand has done the right thing by supervising bank operations.

Mr Chettha said that the important problem facing the commercial banks is that the accounts have not been audited carefully. For example, the amount of credit guarantees extended to customers does not appear in the balance sheets.

The Bank of Thailand should disclose data on the operations of the commercial banks. In particular, the balance sheets of the banks should be disclosed to the people so that the people can decide whether to deposit money in the banks or buy shares in the banks. Unless there is sufficient data, the financial and capital markets will not develop.

Mr Phanuphong Nithiprapha and Mrs Atechana Wattananukit, instructors with the Faculty of Economics, Thammasat University, presented a research paper on the topic "Asset Holdings and the Security of Thai Commercial Banks." This paper divided the commercial banks into two main groups. The first group is the aggressive group; the second is the defensive group. Deposits are divided fairly equally between the two groups, that is, 48.8 and 51.2 percent respectively.

The deposit share of banks with high resistance is 35.9 percent. Banks with high resistance are able to withstand outside pressures. They can resist economic change. Conversely, banks with low resistance have little ability to withstand outside pressures and expose themselves to high risk. They extend large amounts of credit. The deposit share of these banks is 64.1 percent. Bangkok Bank is a low-resistance bank. Its deposit share is 31.3 percent out

of a total of 64.1 percent for banks of this type. Even though the main objective of banks that have an aggressive policy is to make profits, their profit percentage is only 7.8 percent. This is lower than the banks that use a defensive strategy, whose profit rate has averaged 8.31 percent.

The banks with high resistance have an average profit rate of 9.7 percent, while that of low-resistance banks is 6.8 percent. Of the banks that use a defensive strategy, the banks with the highest profit rates include the Thai Military Bank and the Thai Farmers Bank, which have an average profit rate of 12.1 percent and a deposit share totaling 27.7 percent.

The banks with a defensive policy and have high risk include the Siam Metropolitan Bank, the Bangkok Commercial Bank, the Krung Thai Bank, and the Asia Bank. This is the group with the lowest profit rate, 5.4 percent, and a deposit share of 23.5 percent. The weakness of the banks in this group can be reduced by increasing capitalization.

Based on data for the period 1982 to 1985, the commercial banks have been divided into aggressive and defensive groups. In turn, the aggressive groups have been divided into two groups. The first group is composed of banks with high resistance and low risk. This includes the Laem Thong Bank, the Thai Thanu Bank, the Cooperative Bank, and the Si Ayuthaya Bank. The second group is composed of weak banks with high risk. This includes Bangkok Bank, the Si Nakhon Bank, and the Nakhon Thon Siam Bank.

The defensive banks are divided into two groups, too. The first group is composed of those with high resistance and low risk. This includes the Thai Military Bank, the Thai Commerce Bank, and the Thai Farmers Bank. The second group is composed of weak banks with high risk. This includes the Siam Metropolitan Bank, the Bangkok Commercial Bank, the Krung Thai Bank, and the Asia Bank. The criteria used for classifying the banks include the profit-to-capitalization ratio and the market share of deposits.

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BRIEFS

COUP TRIAL CONTINUES--In the 9 September coup case, officials from the Department of Public Prosecution are the plaintiffs, and Gen Soem Na Nakhon, Gen Kriangsak Chamanan, Gen Yot Thephatsadin Na Ayuthaya, Air Chief Marshal Arun Phromthep, Air Chief Marshal Krasae Intharat, and 35 others are the defendants charged with the political crime of staging a coup against the government of Gen Prem Tinsulanon, the prime minister at the time of the coup. This is known as the 9 September Coup case. In the 9 September Coup case, the criminal court has questioned a number of prosecution witnesses. At 0900 hours on 30 January 1987, prosecution officials called another four witnesses for questioning. Those four were Master Sergeant Sakhon Suksiri, Master Sergeant Kitisak Onsawai, Master Sergeant Thanawut Thummanon, and Sergeant Decha Chanchai. All four of these prosecution witnesses are attached to the 4th King's Guard Cavalry Battalion. They are all tank drivers. In court, the prosecution decided not to question Sergeant Decha Chanchai. During the questioning, the other three witnesses testified that they did not drive tanks to the Sua Pa field. They lost their way and drove to Saphan Makwan. When they received the order to return to base, they all turned around and returned to base. After the witnesses had finished testifying, the court ordered that the questioning of prosecution witnesses be continued at 0900 hours on 5 February 1987. [Text] [Bangkok DAO SIAM in Thai 1 Feb 87 p 16] 11943

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BRIEFS

IRAQI WOMEN'S DAY MARKED--Hanoi VNA March 11--Mrs. Badria Massan all byati [spelling of name as received], wife of the charge d'affaires A.I. of the Republic of Iraq to Vietnam, has hosted a cordial get-together with Vietnamese women and women of foreign embassies here on the occasion of the Iraqi Women's Day. Mrs. Duong Thi Duyen, member of the Presidium of the Central Committee of the Vietnam Women's Union, was among her guests. [Text] [Hanoi VNA in English 1535 GMT 11 Mar 87 OW]

/9716

CSO: 4200/405

HANOI PEOPLE'S COMMITTEE RECEIVES NEW CHAIRMAN

Hanoi HANOI MOI in Vietnamese 15 Jan 87 pp 1, 4

[Unattributed report: "At Yesterday's Municipal People's Council Meeting: Delegates Express Opinions on Methods for Achieving 1987 Socio-Economic Development Plan; Tran Tan Elected as Chairman of the Municipal Party Committee to Replace Tran Vi Who is Resigning for Health Reasons; People's Council Notes Achievements and Contributions of Tran Vi Toward Construction and Protection of the Capital"]

[Text] Yesterday, 14 January, at a plenary session, the People's Council listened to the opinions of the following 17 delegates: Pham Van Khoi, Tran Liet Thanh, Dam Trung Don, Nguyen Thanh Than, Nguyen Thi Yen Hung, Hoang The Loc, Luong Ngoc Cu, Le Thanh, Dang Duc Ha, Hoang Van Nghien, the Very Venerable Kim Cuong Tu, Nguyen Quoc Trung, Nguyen Thi Hong Thanh, Pham Van Nhan, Le Huy Lieu, Pham The Bong and Nguyen Phu Loc.

The majority of these opinions were concentrated on discussions about methods of participating in achievement of the three major economic programs, and through that, better resolving the two central problems of the city, employment and life.

Grain and food production is foremost, but one opinion held that the level of investment in agriculture is still too low and must be recalculated. To promote agricultural as well as industrial production, of first importance is the need for ensured, prompt and uniform material supply. Two delegates, recently sent by the People's Council to inspect the supply of nitrate fertilizer in Soc Son and of cement in Hoai Duc, found that material supply was still creating many difficulties for the basic unit, with much depletion, waste, negativism, etc. Many delegates mentioned that because of existing problems in policies and relations with the farmers, laborers do not enthusiastically engage in producing or fulfilling their obligations to the state, such as price problems and dishonest contracts. Concerning small industry and handicraft production, family or individual production is an area capable of attracting many laborers and creating many on-the-spot jobs, and many delegates agreed on an early need for specific and consistent policies so cooperative members and laborers can be content and enthusiastic in production. Regarding the small industry and handicraft cooperatives, a plan of in-depth investment is needed, assisting the basic units to acquire additional machinery and boldly replacing the consignment system with a formula for selling raw materials and buying products. The people welcome the policy of developing secondary industry and family economy, but still have many anxieties about tax levels, policies on capital borrowing, material and raw material supply, etc.

Concerning circulation and distribution, the delegates proposed the need for continued improvement, with attention to ensuring the supply of fuel to workers and civil servants living in the rural area of the city. One suggestion was that the Vegetable and Fruit Corporation change to the Vegetable and Fruit Procurement and Processing Corporation. Wards must establish vegetable and fruit stands so the districts can deliver goods from outside the city directly into the inner city. The city must encourage the rural area of the city and neighboring provinces to deliver agricultural products and food for circulation to support the city. There are still many capabilities for procuring agricultural products and food but the price policies and procurement formulas have not been renewed so the results attained are still not high. In socio-economic development, the city must strengthen the material and technical base of the public health sector and schools. More concern must be given to public order and security, considering it a critical concern of life. In enforcement of the military obligation law, deferments must be closely examined to ensure impartiality and rationality.

Generally speaking, the delegates all suggested, following the spirit of the Sixth Congress, that the People's Committee and all echelons and sectors must implement a renovation in organization and cadres, and in methods of work in order to handle jobs aimed at achieving clear results in the mission of gradually stabilizing the socio-economic situation in the city, and successfully completing the 1987 plan norms.

In the afternoon session, the People's Council held an election to fill a number of positions in the Municipal People's Committee. Tran Vi, Chairman of the Municipal People's Committee, requested that the Municipal People's Council permit him to resign his position as chairman for health reasons. The People's Council approved his wish. Representing the session presidium, Nguyen Cong Tan, Member of the Party Central Committee and Vice Chairman of the Municipal People's Committee, made a statement concerning acknowledgement by the party organization and people of the capital of the important contributions of Tran Vi toward the construction and protection of the capital for the past many years. He said, "Comrade Tran Vi is a leader forged and matured in the revolutionary movement of the people of the capital since before the revolution of August 1945. Since the revolution came into power, he has held many key leadership positions, including 20 years as Vice Chairman of the Standing Committee of the Municipal Party Committee, and 10 years as Chairman of the Municipal Party Committee. He has made many contributions toward protecting and building our beloved capital."

As a leading cadre rich with capital experience and strict and dedicated performance, he has devoted himself along with the Municipal Party Committee and Municipal People's Committee collective to lead and supervise the revolutionary movement of the people in the city, overcome countless difficulties, and win important successes. His months and years of untiring activity have given the party organization and people of the capital many beautiful memories and extremely profound feelings. The party organization and people of the capital acknowledge his achievements and contributions."

Subsequently, the Municipal People's Council conducted an election by secret ballot. Tran Tan, Member of the Party Central Committee and Deputy Secretary of the Municipal Party Committee, was elected to Chairman of the Municipal Party Committee with 100 percent of the votes.

The People's Council also conducted elections for a Vice Chairman of the Municipal People's Committee and people's jurors for a new term of the Municipal People's Court. The results will be announced later.

Today, the People's Council is continuing to meet.

7300
CSO: 4209/312

NGUYEN THANH BINH SPEAKS TO HANOI PEOPLE'S COUNCIL

Hanoi HANOI MOI in Vietnamese 15 Jan 87 pp 1, 4

["Excerpts" from speech by Nguyen Thanh Binh, Secretary of the Municipal Party Committee, at the Eighth Session of the Municipal People's Council: "Striving To Achieve Clear Progress in the Initial Years of Implementing the Resolution of the Sixth Party Congress and the Tenth Municipal Party Organization Congress."; date not given]

[Text] Dear comrade delegates,

I wish to express a number of opinions on the city's 1987 socio-economic plan.

Beginning 1987, the economy of our country is still seriously unbalanced, the supply of materials and energy to production has not greatly increased, prices are continuing to increase at a high rate, the market is still unstable, and the lives of the laboring people, especially the cadres, workers and armed forces, are still encountering many difficulties; and our adversaries have still not abandoned their plots and stratagems to sabotage the reconstruction of our country. These are great difficulties, demanding that we have extremely high will and determination and widespread creative initiative from all echelons and sectors to each laborer before they can be effectively overcome.

On the other hand, many potentials in materials and science and technology have not yet been properly exploited.

We have a number of new factors, first of all the viewpoints of the party on socio-economic problems on the basis of new thinking, and the major positions and courses defined at the Sixth Party Congress. A number of projects on energy have been placed in use, production capabilities in industry have been increased, and economic relations with the Soviet Union and other nations in the Council for Mutual Economic Assistance have been expanded with new forms of cooperation, as well as experience accumulated during the process of shifting to achievement of the new management mechanism.

This real situation must be straightforwardly admitted in order to acquire a great effort from the central government to the local area and within each sector, unit and individual, and to have great determination and proper methods of thought and action; resolutely but extremely persistently using the viewpoints of the Sixth Party Congress as a compass, unceasingly upholding a spirit of revolutionary attack, self-sufficiency, renovation of thinking and behavior, and renovation of cadre organization to fully and satisfactorily achieve the state plan in the years to come.

In the present situation, the problems presented are many and the requirements demanding resolution are great; capital and materials are limited, and there is no other solution than to concentrate efforts on the most key problems, attacking step by step, striking battle after battle, and winning one partial victory after another to create conditions for winning victory in many aspects. In a lesson learned over 10 years, we found it impossible to spread out and achieve the slogan of "open-ranks combat" but had to accept the route of "combat by a cutting edge strategy with key points," and to accept this or that imbalance in order to resolve the pivotal issues, from that, achieving widespread and gradual development.

Therefore, first of all the ideology of supervision in defining and organizing achievement of the 1987 socio-economic plan for the entire nation as well as our city must courageously concentrate investment capital on a course of implementing three economic programs: grain-food, consumer goods and export goods, on that basis successfully resolving the two key problems of the city, jobs and the lives of the laboring people. Resolutely resist a desire to do many things at one time, and to spread out and disperse capital for not truly urgent tasks. Even the urgent tasks must be consistently arranged to effectively concentrate efforts. Every cadre, party member, agency, unit and echelon from the Municipal Party Committee and Municipal People's Committee down must be caused to thoroughly understand the supervision ideology above, not an easy task but one demanding courage, determination and great unanimity from top to bottom without complaint, and an atmosphere of concentration.

When mentioning that plan supervision must be extremely concentrated, I wish to state that it is not only necessary to concentrate on the major programs but within each program also on the most key components in order to truly properly and rapidly develop the effectiveness of investment capital. This supervision ideology demands that each sector, echelon and unit courageously sacrifice, re-examine its plans, and in the spirit of the general outlook of the entire nation and city, boldly contribute toward achieving the primary tasks, postponing the not yet urgent or necessary tasks, and resisting every occurrence of negativism, localism and dispersion. The supervision ideology above also demands that plan direction agencies, besides careful deliberation and study prior to issuing resolutions, must also have an attitude of decisive and rational resolution in direction when a decision is received, without trying to save face or to pursue feelings of mutual satisfaction that are harmful to concentration on the main job.

The supervision ideology above is expressed in the following primary policies and methods:

First, it is necessary to rationally arrange the economic structure of the city along the course decided by the Tenth Party Organization Congress, consisting of industry, agriculture, service and foreign economy. It is necessary to rearrange present industrial production facilities; strongly develop the small industry and handicraft industry; readjust the production structure of each region; and readjust the investment structure with concentration on the three economic programs. Within the three programs, a thorough understanding of concentrated and concise calculation is needed, divided into suitable steps, using the previous step to nurture the next, and ensuring speed and effectiveness.

Secondly, a policy must be properly implemented on component structures and other economic policies aimed at allowing the state-operated and collective economies to maintain a guiding position while simultaneously encouraging strong development of the family economy, small-scale commodity production economy and even individual economy, in the necessary aspects swiftly liberating still restrained production forces, and swiftly developing consumer goods in quantity, quality and variety.

Thirdly, boldly apply the new management mechanism and planning along a formula of socialist economic accounting and business practices in all sectors of the city. Create conditions for basic units to have true autonomy in production and business precisely in keeping with the spirit of (draft) Resolution 306 of the Political Bureau, while at the same time demanding that basic units strictly fulfill every obligation to the state and the city. Promptly summarize the achievement of Resolution 306, submit supplementary proposals to the Political Bureau on Resolution 306, and enable 306 to be consistent with life and to stimulate production development.

Fourth is to strongly develop the scientific and technical forces, apply scientific and technical advances to all production fields, especially achievements in trade renovations, and apply advanced technology in biology, plant propagation and stock raising with the purpose of expending little energy and raw materials, creating new materials and products from domestic raw materials, and raising product quality. The scientific and technical potentials within the capital are extremely great, and scientific and technical cadres also very much wish to contribute their talents to the capital.

Fifth is to consider conservation as a major policy that must be achieved in production, construction and social consumption activities. Resist wasteful extravagance and formalized pretentiousness within the state management apparatus at all levels and in cooperatives; uphold a simple and wholesome way of life, use domestically produced goods, and do not pursue consumption preferences that exceed the capabilities of the economy. Institutionalize conservation policies and properly define necessary norms.

Based on the supervision ideology above, the Municipal People's Committee has presented to this session of the People's Council several objectives and missions as well as a number of primary norms and important methods for the 1987 plan.

Due to limitations in conditions for formulating the plan from the basic level up, and in material supplies and capital that cannot yet be accurately predicted, we suggest that the Municipal People's Council assign the Municipal People's Committee supervision of sectors, echelons and basic units that must urgently both achieve the plan for the 1st quarter of 1987 and also continue to exploit additional potential forms, more rationally arrange production, and improve direction so that during the first 6 months of this year, we can more accurately and actively formulate a plan with truly clearer progress in achieving the all-encompassing objective of partially stabilizing the socio-economic situation of the capital.

Dear delegates,

Dear comrades and friends,

The mission presented to our city is extremely heavy. The people of the capital are demanding that municipal administrative agencies truly renovate their work behavior, thoroughly understand the viewpoint of using the people as the supporting base with every job "known by the people, discussed by the people, done by the people and inspected by the people," give concern to the aspirations and lives of the people, etc. To achieve this, the achievement supervision of the city must be improved along the following courses:

--Raise the organization and management abilities of all sectors, echelons and cadres in each work position, especially leadership and management cadres.

--Clearly decide the responsibility and authority of each echelon and unit to achieve a beneficial mechanism harmony between echelons and between the state, the collective and the laborer.

--Every job must have someone primarily in charge and to take total responsibility for achieving the stipulated mission, and simultaneously to be assigned all the necessary authority.

--On the basis of defining authority and responsibility, upper echelons must maintain close contact to assist lower echelons, both to guide them in developing their dynamism and creativity and at the same time to inspect their assigned work in order to promptly correct discrepancies in the process of achieving the resolutions of the party and the stipulations of the state.

During 1987, the system of sector services in the city, wards and districts will be rearranged in accordance with the instructions of the Central Committee with the purpose of simplifying and improving the capabilities of all management, production and business organizations. This is a task involving everyone and demanding a true origination from general interests, and resistance to localism, negativism, and wishes not to change organization and not to contradict the unit and the individual himself.

To successfully achieve the issues presented above, the most decisive factor is the cadre. The city advocates the renovation of cadre work on the basis of additional training in the new economic thinking and new policy viewpoints set forth by the Sixth Party Congress to cadre ranks at all levels, and the examination, arrangement and use of cadres based on results attained in completing assigned missions in order to evaluate the ability of each cadre. Regular criticism and self-criticism are necessary to forge the qualities and ethics of cadres with resolute replacement of those cadres that display insufficient capabilities and qualities with those who have knowledge, revolutionary enthusiasm, understanding of work direction, sensitivity to the new, and the confidence of the masses.

We suggest that delegates of the People's Council transmit the major supervision ideologies, positions and methods of the 1987 plan to be decided during

this session down to all basic units and the people in subwards and villages so everyone may more clearly understand the economic and social problems facing our city, and from that to work better and to create a mass emulation movement in achieving the state plan from the very first day and month in accordance with a theme of applying science and technology, achieving the new mechanism, and practicing conservation in production and consumption with the purpose of raising labor productivity, improving quality and economic effectiveness, and ensuring that the capital makes clear progress during the first year of implementing the Resolution of the Sixth National Party Congress and the Resolution of the Tenth Municipal Party Organization Congress.

Thank you delegates and comrades.

7300
CSO: 4209/312

ECONOMICAL USE OF CAPITAL, MANPOWER, MATERIALS DISCUSSED

Hanoi NHAN DAN in Vietnamese 8 Jan 87 pp 3, 4

[Article by Vo Thanh Cong, member of the Ho Chi Minh City Party Committee and chairman of Industry Committee: "Overall and Rigorous Saving of Technical Material and Labor Is a State Policy"]

[Text] Great Waste

Just as pointed out in the Political Report to the Sixth CPV Congress, there has been great waste--mostly in capital construction--followed by ineffectiveness and indebtedness to foreign countries. Due to an impatient desire to carry out industrialization quickly, the calculation and distribution of investments have not yet been done in strict accordance with the concept that the objective of investments is to develop the existent sectors, that investments must be made wherever the highest economic effectiveness can be achieved, and that short-term plans must be implemented to boost the execution of long-term ones. New projects have been built in certain areas where enterprises have lacked production materials. Power shortages have lasted for more than 11 years, especially in the southern zone, including Ho Chi Minh City. Due to historic events, many engineering enterprises in the northern region have made investments in areas far from the market and consequently had low yields. Despite its fairly large tonnage, the maritime fleet of our country has been operating at very low efficiency in comparison with foreign ships; the reason is that our fleet is still administered by the state subsidy system. The productive and floating capital of state enterprises has rotated three to four times more slowly than the capital of the collective economic sector, and much more slowly than the capital of the private sector in general. Because of the stagnation of large amounts of money, inflation has been on the rise. By implementing the new management apparatus and by performing production in response to the market demands, 30 state enterprises in Ho Chi Minh City have been able to turn around their capital twice as quickly as in the past, but the turn-around time is still lower than in cooperatives. Though a large amount of cash is still in the people's possessions, no sound policy has been promulgated to boost the flow and growth of this capital during each business cycle.

In the field of power production, the norms set for coal and oil waste have had to be increased continuously. The quantity of fuel oil used to produce

1 kWh has increased from 280 gallons to between 295 and 310 gallons while that of oil blown into furnaces to boost humidity when poor-quality coal is burned has increased substantially. The rate of power use, waste, and loss is much higher than in other countries. This amounts to a yearly loss of about 10 million kWh at a time when we are faced with a serious shortage of electricity.

In the production of machines, because of our inadequate planning and low industrial level, there has been substantial waste of metals used to produce various kinds of goods. The rate of waste of materials used to produce 1 horsepower is 20 percent higher than in the Japanese industrial sector. Generally speaking, the percentage of badly made and improperly cast goods is still high, even too high in some localities.

In capital construction, the use coefficient of equipment and machines is low and the construction and installation potential has not been mobilized to a high degree. Despite recent efforts, there still is great waste in managing and regulating the use of this potential by various sectors and zones.

Likewise, large amounts of materials have been wasted in the area of communications and surface and water transport.

Though the figures I have mentioned may be incomplete and somewhat inaccurate and are, therefore, subject to further discussion, every one of our comrades has agreed that our wastefulness is much greater than that of other countries, and also greater than in the past.

Though South Vietnam has been liberated for 11 years, many installations have not yet been put into use or fully utilized. For example, in comparison with the past, only 10 percent of the capacity of Tan Son Nhat airport has been used. Tan Gang [the new airport] has not become operational because its construction will cost tens of millions of dollars. Large quantities of discarded materials have been left to deteriorate, much modern equipment has not been used, and we do not know where spare parts stored in many warehouses have been used. This happens at a time when we have to build a new airport with imported materials. I propose that the sixth plenary session of the Central Committee assume the duty of thoroughly solving this problem.

Effective Use of Technical Labor

Our labor force is growing continuously, both quantitatively and qualitatively. Compared with countries similar in population to ours, the ratio of intellectuals in our country is fairly high. However, instead of working in production installations, most of our intellectuals work in nonproductive administrative agencies and in organs of the party and mass organizations, or act as private secretaries for cadres. Why is it impossible to correct this situation, though we have noticed it for a long time? The reason is not because these comrades are lazy and do not want to work in production installations, putting their knowledge into practice and making some contribution, but it is because they have not been motivated by any incentive economic policy. In my opinion, they constitute a huge potential.

Our country has a good many institutes and auxiliary departments, as well as a system of middle schools and colleges without really modern equipment. They are, however, a force which has not yet been effectively developed. By displaying greater acumen, and taking more initiatives in doing business than the state economic sector, the collective economic sector in Ho Chi Minh City has attracted many intellectuals, and the result is obvious. In many cast iron foundries and cooperatives which contractually hire engineers and PhD's to work for them after work hours in various schools and institutes, the ratio of substandard cast iron is lower--sometimes over 50 percent lower--than in state-owned enterprises. After using a portion of the profits thus obtained to pay a high salary to intellectual workers, these foundries and cooperatives can still make a large profit. One of the greatest wastes now taking place in our country is due to the failure to implement a sound policy to employ and develop this intelligentsia.

In agriculture, work is still done seasonally and not permanently. Ho Chi Minh City has firmly led in the development of additional sectors and trades, along with collectives, cooperatives, and individual households. As a result, income has increased in many localities. By implementing the Sixth Congress resolution on five economic components and following the recent decision of the government, we can reduce the huge waste of idle human labor among the peasantry.

During my fact-finding visit to India, I had the opportunity to notice that the Indians have implemented a wise policy in this respect, and have thus greatly increased their production and income, though Indian rural conditions in areas visited by us are much more difficult than in our own country. They have scored great success in both the green and white revolutions, and in using small industry to produce large amounts of consumer goods for the rural areas.

If compiled accurately, statistics will show that there is in our country an enormous number of people who are jobless or semi-unemployed, or who occupy too many redundant, unnecessary positions, especially in the state management apparatus at all levels. Because these people represent a potential, we suggest that the sixth plenary session of the Central Committee seriously tackle and resolve this problem at a time when many countries in the world lack human labor and have to use robots.

The number of retired cadres, workers, and civil servants increases with each passing day. In the subward where I am living, there are over 300 retirees, including many high-ranking managerial, military, and technical cadres. Not all of them are in poor health and incapacitated for work. Many of them said they have become depressed and weaker because they cannot find a suitable job. It is suggested that the sixth plenary session of the Central Committee formulate a policy to mobilize these comrades rationally, such as creating conditions for them to develop the household economy sector, organizing collective productive activities suitable to their abilities, using them as advisers to various sectors, appointing them to write out projects and giving them data for this purpose, and asking them to participate in educating the young generation--which could prove to be very

effective--and to compile history books, and so on. This could be accomplished provided a policy is established to increase their income. In response to Decision No 34 of the Ho Chi Minh City authorities, many comrades have set up establishments where they can perform work suitable to their age, and are, therefore, more content. There is also another force made up of overseas Vietnamese many of whom are talented and holding high positions in the countries where they are living. These persons are eager to contribute something to their fatherland, and thus constitute a potential which we must formulate a policy to use.

Fight Against Both Waste and Corruption

As a result of the criticism and self-criticism drive, many corruption cases have been and must be continuously dealt with. I think it necessary to clarify why retrogression among our ranks has not lessened and to find whether it is due to daily needs, a decline in ethics or any other cause. In view of the present system of wages, it is difficult to correct this situation. In five enterprises in Ho Chi Minh City where we experimentally and rationally raised (by 5, 7, 10, and 12 percent) the ratio of wages in the product-manufacturing cost, an evident result was noted in 6 months: the wages of workers in these enterprises rose from 1,000 to 2,500 dong but the manufacturing cost did not increase while product quality improved and pilferage diminished visibly. This should give us food for thought.

Many workers asked this question: "It is correct to say that corruption is a crime, but how is it that cases of waste resulting from various policies, and committed by competent agencies and cadres have not been dealt with even though these agencies and cadres knew that this waste was many times greater?" In this regard, many examples can be cited.

Though the production force in the industrial sector of our country is smaller than that in many other countries, we have more organs at the ministerial level than other countries, even the large ones. After the new management system is experimentally applied to about 40 or 50 corporations, enterprise federations, and commercial enterprises and units, the number of bureaus and boards has been reduced by 40 percent, and that of indirectly related organs has been reduced by 30-40 percent while production and business activities have become more effective. These figures will soar if the entire country is taken into consideration. We are of the opinion that this task [reduction] is completely feasible and that a uniform solution must, of course, be found.

I can assert that thriftiness is a distinct possibility for us, and that it can become a reality of the central level promulgates some good policies and measures instead of being merely concerned with setting norms--a task which must be done.

Proposal To Make Thrift a State Policy

A. A merchandising strategy must be formulated to carry out three major programs set forth in the Sixth Congress resolution. We must not follow the example of other countries in the world by manufacturing whatever kind

of goods they have been producing. Instead, we must base our calculations mainly on effectiveness, not on the national and zonal scale but on the international labor assignment--that is, do what is most profitable and create strategic goods which do not yet exist in our country, especially in the industrial area. In my opinion, a policy must be worked out to tackle this problem.

In view of the fact that our country is in the first stage of transition, sometimes a particular type of homemade goods may be more expensive and still inferior to its foreign counterpart, but we must protect its domestic production.

If our mechanical engineering sector concentrates on producing spare parts for thousands of small and large machines which are out of order because parts are no longer produced by other countries, and consequently can no longer be imported, we must implement a propitious policy regarding goods which are produced domestically to replace imports and which will exert a great economic effect.

B. While upholding the spirit of self-help for self-improvement, it is necessary to develop international cooperation to obtain modern industrial designs and directly to acquire many kinds of modern goods. We must learn from India's experience in this matter. The Indians combine the production of rudimentary goods with that of modern and ultramodern ones. They buy goods from foreign countries or enter into commercial associations with these countries and with companies having earned prestige in the manufacture of these goods. They have not had to grope their way for long, but have produced goods at lower cost and made great savings. This method has enabled India continuously to raise the ratio of high-grade industrial goods within the entire production structure.

C. The apparatus described in (draft) resolution No 306 of the Political Bureau must be thoroughly understood in order to induce state enterprises to enter the commercial orbit, to stimulate the production of high-grade goods, and to strongly encourage every enterprise capable of producing export goods. Recently, I had the opportunity to talk with the director of the Lada automobile factory in the Soviet Union. He said that in accordance with the new system, he had promised the Central Committee to try to hasten bringing small cars made by his factory into the world export orbit. Thanks to a major improvement in capital use, part of the profit made would be reserved for the factory to develop itself and to reward meritorious cadres, workers, and civil servants.

The experiences gained by about 10 enterprises in Ho Chi Minh City and by some places where I came to study the situation have demonstrated that this possibility of producing export goods will be substantial if we have a wise policy. We have a distinct advantage in that we have an abundant, clever, and skillful work force, and a wage ratio in the manufacturing cost which is much lower than that in the same sectors and trades in other countries. This represents a potential to fight wastefulness and to step up the thrift movement.

In this spirit, may we suggest that the sixth plenary session of the Central Committee boldly create conditions for the cadres, workers, intellectuals, and commercial circles in our country to frequently get in touch with their counterparts throughout the world, without fear of expenditures because many enterprises have offered to foot the bill. Our forefathers were right to say: "While walking along a section of road, one can learn a bagful of wise things," and "hearing about something 100 times is not as good as seeing it with one's own eyes."

D. A year ago, faced with difficulties in solving the unemployment problem but aware of the great potential among the people, Ho Chi Minh City issued a decision on the policy of developing small-scale private industries. Soon after, jobs were provided for 12,000 people, hundreds of new kinds of goods were created some of which are exportable, stagnant capital was mobilized, and small houses and workshops were put to good use. If the state had been expected to give jobs to these 12,000 people, it would have had to apply the current investment method, and to invest at least 80,000 dong in machines just for one job opening. How could the government have sufficient capital to do this? Recently, we have taken advantage of the improved cooperative management mechanism to mobilize the manpower, material resources, and skills of cooperative members and people to speed up industrialization while the state has concentrated efforts to improve the state economic sector and to ensure that state-owned installations produce effectively and economically with a high output and that the living standard of their workers and civil servants is higher than in other economic components.

To do so means also to implement the thrift policy.

E. In many state enterprises, there remains a tremendous lot of old, outdated equipment and discarded machines which, if used, cannot manufacture good-quality merchandise. But if we implement the policy of selling them to the collective economic sector or to retired comrades who have the relevant professional skill to develop their household economy, these machines will still be used to advantage. To do so is to fight against great waste of time when our country's people are still poor. In our opinion, the failure to do this has led to a considerable waste just because we have not implemented a sound policy in this regard.

If implemented, the mere policy of allowing truck drivers to carry goods in a rational manner will benefit the state, people, and drivers, raise immediately the coefficient for two-way use of trucks, save large quantities of gasoline and oil, and remove obstructions from merchandise distribution.

In this spirit that we understand and assert that thrift must become a state policy.

11948
Q: 4209/289

LOOPHOLES, IRRATIONALITIES IN TAX COLLECTION DISCLOSED

Hanoi NHAN DAN in Vietnamese 8 Jan 87 p 3, 4

[Article by Nguyen Minh Trang, of Ha Nam Ninh: "Nam Dinh Tax Office Criticized"]

[Text] Nam Dinh City is the industrial and commercial center of Ha Nam Ninh Province. Because it has over 5,000 commercial households, 15 small and large markets, 200 collective production installations, a motorboat harbor, and a bus and railroad station, the city should have been able to collect a huge amount of taxes. However, we have noticed that until recently, tax collection has been loosely managed, and that a serious situation has arisen from the failure to collect all due taxes.

In 1986, the tax office registered 3,500 households--70 percent of the existent commercial households--in order to levy a license tax, and also to have a basis for managing and collecting taxes regularly during each month of the year. However, by October, the license tax had not yet been collected from 50 households selling sandals, vegetables, and beverages in the Rong market, and had been collected from only 59 percent of all commercial households in Phan Dinh Phung Subward. To date, most commercial households in Hoang Ngan market have not paid any license tax at all. Only 40 out of 115 households who are actually doing business in the Dien Hong market have paid a license tax!

Household classification according to license categories did not correspond exactly to actual incomes. Therefore, the number of households classified in categories 1 and 2 represented only 36 percent while the ratio which was fixed by the tax department after investigations, and which should be applied throughout the city was 70 percent. The results was a tax deficit of 458,000 dong.

Though the business income tax to be paid monthly by individual commercial households constitutes an important source of revenue, its collection has been slack. Tax has not yet been collected monthly from many households which have been doing business since 1984. Not 1 dong of tax has been collected from many households whose monthly tax comes to more than 10,000 dong--such as the Duong Thi Lan household, 10 Cua Truong St, which produced candies and should have paid a monthly tax of 18,600 dong, and another

household which dealt in building materials and had a turnover of 474,000 dong. Many people have expressed the view that, generally speaking and taking the turnovers into consideration, the tax currently collected in Nam Dinh City represents only 30-40 percent of the collectible amount.

Many tax collectors have disregarded the law and arbitrarily managed tax collection. Though the tax office is a legal entity designed to collect tax from businessmen, a cadre at tax station No 2 has unilaterally disregarded its regulations. Though tax collectors have no right to impose penalties, they have been empowered to impose fines for infractions. In some cases, they have levied fines ranging to 3,600 dong--an act falling only within the purview of the provincial people's committee. Moreover, tax collection and merchandise detention have been loosely controlled: there have been serious instances of irrational collection, failure to issue a receipt after collecting tax money and to draw up a report immediately after detaining merchandise, "loss" of temporarily detained goods belonging to the people, and arrogant and overbearing attitudes.

Concerning a slaughter tax, it is estimated that about 20,000 hogs belonging to collectives and private individuals in the city (excluding the state commercial sector) were slaughtered [in 1986]. However, throughout the year, the tax office collected a slaughter tax for only 1,500 hogs, which represents a deficit of 92.5 percent.

The monthly tax arrears were substantial. For the first 10 months of the year, tax arrears totaled up to 6.2 million dong, which was equivalent to 35 percent of the tax collected from individual commercial households in the first 9 months. Instead of being completed at the beginning of the year in accordance with legal regulations, the collection of license taxes dragged on until the end of the year.

Tax collection is an extremely difficult and complex task. However, subjectivism is the principal cause of weaknesses and shortcomings found in the management of tax collection in Nam Dinh City. Being bureaucratic, leaders of the tax office merely kept track of the overall situation and provided general guidelines, but, in practice, it was the tax stations and collectors who decided on the task of collecting taxes. In principle, only the office leaders were entitled to examine and ratify tax registers. However, this task was entirely "contracted out" to station chiefs who, like those at station No 4, in turn, allowed collectors to collect taxes at their own convenience. Believing that they had special rights and privileges, some tax collectors intentionally contravened the promulgated policy and system.

In view of the above-mentioned situation, public opinion in Ha Nam Ninh Province is looking forward to a change in the collection of industrial and commercial taxes in Ham Dinh City and, first of all, in the management of cadres. Tax cadres who behave and act only in their own interests, and whose ethics and virtues are waning must be firmly expelled from the tax sector, and dealt with according to law. That is the only way to promptly achieve a better result from tax collection in the city, and effectively develop the role of taxes as a prod to help develop production, stabilize life, and regulate business incomes with equity and rationality.

BRIEFS

COFFEE GROWING--Hanoi VNA March 15--In Vietnam coffee has been planted for about a hundred years and is becoming an important export item. Thanks to state investments, international cooperation, and intensive exploitation of existing potentials (land, labour and funds), coffee planting has made steady progress over the past five years. By 1985, the country boasted nearly 40,000 hectares of coffee, including 20,000 ha of newly-planted crops. Output has steadily increased; 12,000 tons in 1985-86 alone, a large part of it being exported. In such provinces as Dac Lac, Lam Dong, Gia Lai-kontum, Dong Nai, Song Be, coffee planting has been promoted in all three sectors: state, collective and family. In Dac Lac the state sector has made big strides by setting up large plantations in cooperation with the Soviet Union, the GDR, Bulgaria, Czechoslovakia and Poland. In 1985, it harvested over 3,000 tons, while the private sector reaped 2,000 tons. In Lam Dong, along with the state sector, the collective and private sectors have also strongly developed. [Excerpt] [Hanoi VNA in English 0702 GMT 15 Mar 87 OW]

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PRESS ROLE IN FIGHTING NEGATIVISM STRENGTHENED

Hanoi NHAN DAN in Vietnamese 8 Jan 87 p 3

[Article by Nguyen Phat, of Hanoi Supreme People's Organ of Control:
"Improve Antinegativist Drive by the Press"]

[Text] Applying the principle of criticism and self-criticism, the press had reported many negative deeds taking place in state agencies--especially economic organs--and in society at large. Though not yet numerous, these overt disclosures by the press have had the positive effect of responding to the aspirations and demands of cadres and people with regard to the urgent need to reestablish social order, law and party discipline, and have thus been warmly welcomed by cadres and people. People of all walks of life have sought out these newspaper articles, read them carefully, and kept track of the outcome. Because the press has published these news items, judicial organs at the central, provincial, municipal, ward, precinct, and district levels have concertedlly uncovered, investigated, prosecuted, and tried many serious criminal cases (20 at the central level, over 400 in provinces and cities, and 500 in wards, precincts, and districts). Cases of misuse of power, violation of socialist property, and infringement on citizens' rights which have been tried include that of director Bui An Tinh in Hai Hung who persecuted his critics; that of the Hoa Phuong Do ship in Haiphong; and that of Pham Van Kha in Tay Ninh... The case of Pham Van Tao of the Hanoi maritime shipping corporation is among those which have been formerly hushed up, or not dealt with severely. The press' disclosure of many cases which had been dragging on, or which involved various agencies has inspired cadres and people with more confidence in the law and policy of the party and state.

The publication and frank criticism of negative deeds, the analysis of their true nature, and their open trail have had the effect of ideologically enlightening the masses, educating them, and motivating them to prevent and fight negativism and to build a wholesome social life. This course of action must be intensified because it is derived from the strength of public opinion --an important aspect of socialist democracy and of the laborers' right to control and participate in state and social management.

Apart from the above-mentioned basically positive aspect, there are some shortcomings requiring attention and solution. Noteworthy are the following two questions:

1. Some newspapers published inaccurate reports which unduly complicated the relevant cases and compelled the Organ of Control and the court to spend time verifying them, thus affecting the trials. Some cases engendered disagreement between the press and local agencies, and then both sides exchanged official documents and newspaper articles during the controversy. Another case gave rise to complaints and started a lawsuit for false accusations leveled at the cadres. In particular, some people took advantage of the press to publish disclaimers designed to mitigate their wrongdoings.
2. At present, news items are being published by many newspapers belonging to the central and local levels and to various sectors and mass and social organizations. However, this kind of information is not yet treated promptly and coherently. Because the responsible cadres and organs have neither provided any specific and clear-cut solution nor informed the people of it, practical effects are still very limited. No matter how accurate and numerous they may be, the news published by the press will have no practical effect if the relevant issues are not solved thoroughly by any agency. While enthusiastically reading newspaper articles which appropriately criticize negative deeds, cadres and people wonder whether these cases will be handled by anyone or will be neglected, and let to drift into oblivion, and whether something will only be done perfunctorily and followed by some words of acknowledgement and self-criticism which seem to be in earnest, but actually do not incriminate anyone.

To ensure real success for the antinegativist struggle waged openly by public opinion through the press and aimed at building the new society and the new man, and to participate realistically in the movement to purify party organizations and the state apparatus, it is necessary to meet these two requirements:

-The news published by the press must be accurate.

-Once news is published by the press, its accuracy or inaccuracy must absolutely be confirmed by responsible persons. The responsible and competent agencies must resolve the issue but must do so strictly within their competence and must answer either the newspapers or the persons concerned in order to end a situation in which complaints and denunciations are passed on from one office to another without being attended to by anyone, while shortcomings disclosed by the press for criticism are not corrected, infringed interests of the state and people are not restored, and persons who do wrong or commit crimes remain beyond the reach of law.

If the above-mentioned tasks are done, the open campaign launched by the press against negative practices will really become effective and bring a wholesome atmosphere to society.

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POLL SHOWS PSYCHOLOGICAL ASPECTS OF RESETTLEMENT IN NEZ'S

Hanoi XA HOI HOC in Vietnamese No 4, Oct-Dec 86 pp 54-59

[Article by Pham Xuan Dai: "Some Psychological Problems Facing People Sent to New Economic Zones"]

[Text] To rearrange and redistribute the work force and population on a nationwide basis is a question of strategic significance in all political, economic, and national defense fields. Starting from this reality, since 1975 our party has been advocating reducing the population in the southern municipalities and cities, and in the provinces along the central coast and Red River delta by campaigning to move people to the new economic zones, state farms, and state forests, mainly in eastern and western Nam Bo and the Central Highlands.

One of the characteristics of the movement of people in our country is its agricultural aspect: The majority of people having left are farmers and upon their arrival still till the land. In the movement of people from the North to the South, 97 percent are farmers and residents of the Red River delta.

Although these farmers have lived for more than 30 years under the socialist system, due to their living conditions, farming customs, and traditional habits they still retain quite a lot of psychological features of traditional farmers mixed with those of collectivized farmers. These psychological features have greatly influenced and affected their ways of thinking, living, and working, especially in regard to the decision to move, an important decision in one's lifetime.

This article will consider the psychological aspects that have adverse effects and need to be changed and limited in terms of influencing those farmers going to the new economic zones.

In the past, farmers had not clearly shown their personality as individuals. They had mingled with the village community, closely associated with it, and asserted being part of it. This community psychology had been influencing all of their activities and life; being separated from the community had been an extremely terrible thing. They had always consoled themselves by citing this saying, "Better be poor in one's own village than be rich elsewhere." While farmers themselves had refused to leave the community, they considered people

who had come to live in their village "transients," the people at the bottom of society, and treated them accordingly. This social psychology had created a tremendous state of inaction affecting the movement of people, with both the pulling and driving forces being very weak and unable to separate farmers from their villages; even after farmers had left their village, they would have tried to come back.

Sentiments toward relatives and clan members had also become a string that tied them up. Their native land meant their relatives, protection, and mutual help. That was the reason behind the phenomenon of "seasonal emigration" at appropriate distances and convenient time allowed by crop-growing schedules and work. That also showed why it was possible to move entire villages.

Today, the concept of native land in the psychology of farmers has changed; it is no longer limited to villages but is extended to the fatherland and the country.

This happy change is reflected in the fact that they are ready to leave when the party calls on them to build new native places.

Let us consider the following table resulting from the question about the reasons for leaving:

- Because land is scarce:	13.1 percent
- Because many relatives and friends have left:	9.2 percent
- Because working conditions in the native land are difficult:	4.4 percent
- Because of friction with people around:	15.0 percent
- Because of dissatisfaction with local leaders:	5.3 percent
- Because of propaganda and campaign:	33.5 percent
- Because of distribution of assigned goals:	6.3 percent
- Because of other reasons:	11.2 percent

The table shows the fact that the economic and administrative reasons for people leaving their native land are definitely fewer than propaganda and campaign being their motivation (in another state farm, this figure is also 31.7 percent). The aim of this propaganda campaign is not only to make farmers realize the present difficulties in the old native places and the advantages in the new land but also to create feelings of encouragement and peace of mind. Then farmers will realize that their leaving not only helps to make the fatherland beautiful and prosperous but also brings about happiness for themselves and their families and benefits for those who stay behind. On the other hand, the people who stay will think that those who have left did not flee the native land but were pioneers who dared to go first and to accept difficulties. They have left in order to make their native land more prosperous and for that those who stay behind must be grateful to them. Both the people who have left and the people who stay must be responsible for one another and for their native land, both old and new.

In addition, propaganda and campaign must bring residents an understanding of the land where they will soon go to and a clear knowledge of the difficulties they will encounter there. It must educate people about the national policy, the responsibility for upholding the working people's morality and culture

under the socialist system. Going to the new land is not for the sake of enlightenment and civilization, but instead showing solidarity and building the new native land.

If we do not create right at the beginning a strong confidence among emigrants, no matter how much effort we make, the results obtained from a large group of people getting together and working will be limited. The reason is that their needs are more varied and stronger everyday, but in reality we do not have the economic potential to steadily sponsor residents of new economic zones in a long period of time. Right in the first days, in addition to stabilizing the living conditions, they must start productive work. Many difficulties are likely to appear. Under these circumstances, if residents lack a strong confidence in their future life, their will power will deteriorate and lead to a crisis of faith.

At the time you are leaving, do you think that in the new place of residence you will have:

	Answers (in percent)		
	Agreement	Disagreement	No future
Better income	75	12	13
More investment by the state	62	10	28
More convenient communications	50	28	22
More harmony in the family	49	11	40
Better education for children	43	29	28
Better relationships with people around	57	17	26

The people who leave are not only concerned about economic matters. These are the matters they worry about the most, of course. They are also concerned about organizing their work, social life, and so on. If these matters are not carried out simultaneously, they will cause serious harm in their spiritual life.

When they leave, all individuals and family households do have a profound reason for going, which serves as the specific aim of their going, in addition to the more common aims, a factor that considerably influences their psychology. If these aims are clearly defined and the ability to attain them is great, they will have an enthusiastic and encouraging attitude, and high determination. On the other hand, if the aims are vague and lack a positive attitude, they will easily bring about indecision and doubts, and will fail to develop creativity. To fully understand the aims and reasons for going is a prerequisite for stabilizing production early and organizing society and spiritual life.

The two tables above clearly show that the traditional psychology of "going away in search of a living" has changed. In the present movement of people from the North to the South, there is another source of information: The relatives and friends who have gone before and have come back to visit tell about the new places. This kind of information will help people to visualize more accurately the places where they will go to and to think of their ability to achieve their aim. As we talked to those people whose relatives had gone

to the new economic zones, we found they had a lighter and reassured mood. There were fewer adverse opinions, complaints, and vacillation. The reason was that the advice of relatives created for them an initial support, no matter how small, that made them feel less helpless and lost in a strange land.

We actually found that excessive propaganda that had painted a rosy picture of the new land and had exaggerated its favorable assets brought false optimism resulting in disappointment to newcomers: their dream failing to fit the realities. Our question, "For what reason did you move here?", showed these results:

- Good, plentiful land:	25.2 percent
- Favorable working conditions:	31.7 percent
- The state guarantees our job:	29.4 percent
- Convenient communications and circulation:	13.7 percent

Among the people who left, the force that attracted them to the new land was jobs. Farmers believed that in the new place they would enjoy more favorable things, avoid the situation of little land and too many people, strict management, and so on, and be free to do the things they wanted--a kind of organizational freedom that would suit farmers better. But when they encountered a tight managerial organization and strange farming techniques, they became confused and tended to express adverse opinions and to feel disappointed more easily.

Because of the effects of the traditional model, the resettled farmers set up again in the new place all of the social space and relationships, mode of production, and daily activities that they used to have in the old place. They brought there the psychology of producers of wet rice. This happening could be explained this way: Because of a lack of correct production guidelines, an appropriate model for social organization and management, and control and guidance from the very beginning they had no alternative to re-creating all of the things which they had been familiar with and were unable to miss. They even felt proud because they did not "lose their roots," although they were away from their native land. All of that seriously contradicted the new ways of organizing production and social management. Because some old habits were unacceptable here, when the cadres who came from the local areas wanted to carry out the policies necessary to maintain labor discipline and social order, they were accused of oppressing and acting against the newcomers.

Without strict leadership and positive guidance, farmers coming to the highlands from the delta actually are going from a region of high culture to one of low culture and from a place where farming techniques are high to one where the latter are lower. A series of difficulties that arise, such as illnesses, lack of schools, lack of cultural and recreational activities, even the fact that some zones are cut off from the outside world--all of this gives farmers the feelings of being abandoned.

The question, "Since you have arrived here, do you feel that you have been abandoned?," brought these results:

- Abandoned by the state:	26.0 percent
- Abandoned by the administration and cooperatives in the old place:	86.1 percent
- Abandoned by relatives in the old place:	32.0 percent

People felt they were abandoned by the administration in the old place, which no longer was concerned about assisting them in their work in the new land, failed to communicate with them to inquire about how they have been doing, and did not set up permanent relations between the locality they left and the one they have newly arrived at.

Farmers really want, from the bottom of their heart, to return to their native land but only with glory and success. They like very much to have upon their return the respect and admiration of the people who stay behind. They are extremely reluctant to go back when they have not yet attained their goal. However, because of the fact that their relatives and close clan members are ready to accept them the idea of going back to the old native land can pop up whenever they feel discouraged.

We asked this question: "When you faced with difficulties, did the old native land help you?"

	(Percent of answers)		
	Sometimes	Regularly	Never
The administration in the old place	5	2	93
The cooperatives in the old place	1	3	96
The mass organizations in the old place	2	7	91
Parents in the old place	12	29	59
Relatives, brothers and sisters	5	38	57
Neighbors	2	22	70
Friends	8	22	70

The above results showed that assistance was based on blood relations. Farmers understood assistance meant totally direct help: The cooperatives and administration in the old place had to give them direct assistance. That was why the assistance the other way around was also aimed at the people having blood relations in the old native land. Assistance and relations were not limited to the material and sentimental fields: 43 percent of those people who were asked questions said that they did urge relatives in the old native land to come to join with them in the new land. If we can promote and guide this relationship, it will bring about fine results in the movement of people to the new economic zones.

The cadres who accompany the emigrants, in a close coordination with local cadres, can reduce farmers' feelings of being abandoned in a strange place. In addition, such contacts as letters and greetings will create a permanent relationship and feelings of understanding and closeness. A question being raised here is what is the right distance. How can we keep the level-I relations from worsening because of the great distance involved? If farmers

find that the distance to the old native place is too great and it is too hard to go such a distance, they will feel they have lost a support, a source of encouragement, and the mutual help they used to have.

With correct production guidelines and an appropriate social organization, the spiritual life of newcomers in the new land will soon be stabilized.

To send people away to build "the new native land" in the true sense of this term is not only to exploit a new piece of territory, to develop production, and to resolve difficulties for newcomers but also to be concerned about other important matters, such as the sentimental need of the native land, the relations of clan members, and the psychology of people living far from their native land.

To create enthusiastic feelings and peace of mind on the basis of profound changes in the production and living environment is a difficult thing to do and requires many efforts on both sides: the side of the emigrants themselves and the side of the party, the state, and mass organizations being concerned about assisting them.

On the basis of the situation we have just analyzed, we offer some thoughts. To organize the movement of people to new places is a great task of our country today. This is a job full of difficulties which must be understood in advance in order to overcome and also a job that promises many gains to be further exploited.

1. Through our investigation, we find that the great majority of emigrants have responded to the call of the party. That is the fine quality of farmers, who have relentlessly struggled and overcome numerous challenges under the leadership of the party. The question of topmost importance we raise here is that the party organization, administration, and mass organizations of a locality must be responsible to them from the time of promulgation of the policy until the time they actually leave and continue to follow their activities and to help them to overcome difficulties in the new native land. We must strengthen their confidence in the native land and continue to support and encourage them by extending the faith and affection of the native land to them. Wherever there are permanent and close contacts between the old native land and the new one, farmers in the new land feel reassured and actively do productive work.

2. The people who leave bring with them a belief that the new native land, with its prevailing land and climatic conditions, will help them to quickly stabilize their living. They do not know in advance all of the difficulties they may have as they face the reality. The old native land must not abandon them, nor act in an irresponsible manner in making preparations at resettlement sites and devising the forms of production and means of labor. We must send cadres ahead of them to make preparations, to share with them later the building task and any difficulties, and thus to bring them soon a stable life with a promising future.

3. Emigrants leave their native land with pride because they are accepting a glorious task from the party, with the hope that they will lead a better life. But one thing that is most important and cannot be overlooked is that man is not created just to fight off starvation. For emigrants, to lead a life of plenty is not enough. They must be able to see that man's minimal spiritual and cultural needs be satisfied. After they have left their native land and brought their wives and children to a place amidst mountains and jungles to live, these emigrants do not want just a hut and a full stomach. They also have a profound sentimental attachment to the native land and to relatives and neighbors. They also need to know current news events, what is happening in their native land, as well as in the entire country and in the world. They need to enjoy literature and arts, and to be able to read books and newspapers, to listen to radio broadcasts, and to see movies. They want their children to have schools to go to and to have a bright future. They want to see their families receive the care of physicians in hospitals when they are sick. Those are the things that must be ensured; or at least, they must find that these things will soon become reality.

4. In the new native land, they live in a new social environment. The administration of the locality that accepts them must from the very beginning give them guidance about production and daily life and build early relationships of solidarity between them and local people, so as to promote what this saying calls for, "Sell your brothers who live faraway and buy neighbors who live close," and to allow them soon to lead a psychologically stable life, to maintain wholesome and pure feelings toward people around them, and along with the latter to build a new way of living suitable for the new environment.

In short, the policy that deals with emigrants must be directed at the administration in the old native land, which must create favorable conditions for emigrants to see both favorable things and difficulties, to have confidence in their future and that of the new land, and to live harmoniously with the affection of all, mostly of their native land and relatives, the people to whom they have been closely attached since their childhood in very rich and fine relations.

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